

STATESIDE / TACKLING WELFARE

Clinton's Aim for Needy: Child Care and Job Training

By Jason DeParle
New York Times Service

WASHINGTON — President Bill Clinton's task force on welfare reform has translated his pledge to "end welfare as we know it" into a plan to spend significant new sums on child care, work and training programs. But the group says its ambitious goals can be entirely financed by cuts or savings in welfare or other programs for the needy.

The draft plan was completed two weeks ago and is subject to revisions before it is presented to Mr. Clinton. The confidential plan restates his pledge to impose a two-year limit on welfare benefits, after which recipients would have to enroll in a work program or face financial penalties.

But it holds open the possibility that the work program could be temporary, and it does not resolve the ultimate question: What would then happen to poor families who still could not find private-sector jobs?

One administration official drafting the plan called that "the \$64,000 question" that after nearly a year in office, the administration has still not answered. Like the people who devised the administration's initial ambitious health care proposals, the welfare planners did not say how much the plan would cost or specify which program cuts would finance it.

Some welfare experts voiced skepticism that a seri-

ous welfare plan could be financed simply by cutting current programs.

The working group member, speaking on the condition of anonymity, characterized the plan as "a first draft" and said it underscored the amount of detailed work still to come before one of the president's primary campaign pledges is converted to legislation.

David T. Ellwood, one of three co-chairmen of the working group, acknowledged that many decisions remain. "The whole question of how exactly the jobs will work is still very much under discussion," he said.

The financing remains a central political difficulty. Many members of Congress, Democrats and Republicans alike, think the time limit can save money and court favor with the public. But the plan makes the time limits contingent on the government providing expensive new services, like child care, and the working group members are searching for ways to pay for such care.

For now, the White House is in the midst of a vigorous internal debate over the timing of the plan. Some see the need to fulfill political promises quickly, particularly with congressional Republicans pushing a time-limit plan of their own. Others warn that fast action on welfare will produce political and financial conflicts for the health care bill, which must go through the same congressional committees.

The draft welfare plan, outlined in 29 pages, served as the basis of a Nov. 20 meeting of the working group. The administration has recruited some of the nation's leading academic experts on welfare, including Isabel V. Sawhill, a White House budget aide, and Mr. Ellwood and Mary Jo Bane, both assistant secretaries at the Department of Health and Human Services.

But the plan they finished drafting last month gives the first glimpses of how they plan to translate the president's oratory into an actual program.

To its overall vision, the Clinton plan builds on, rather than replaces, the 1988 Family Support Act, a welfare overhaul that Mr. Clinton played a central role in developing.

In addition to calling for expanded child care, training and work programs, the plan also endorses a national campaign to reduce teenage pregnancy. It calls for "dramatic improvements in the child support enforcement system" and acknowledges "there is considerable division" within the group over whether the government should make the payments itself if it fails to collect them.

The report indicates an enthusiasm for expanding training programs so that they include absent fathers, as well as mothers. Such an expansion could help fathers earn more, and therefore pay more in child support payments. But such an expansion would also add large new costs.

The paper also acknowledges the considerable political challenges that surround a revamping of the welfare system and which, in the past, have defeated ambitious plans by Presidents Richard Nixon and Jimmy Carter. "Ugly, racist, and mean-spirited images are sometimes loudly proclaimed," the paper said.

Mr. Clinton's plan is similar to Mr. Carter's in one crucial respect: his insistence that any welfare overhaul pay for itself by offsetting cuts or savings in other programs. That is a major reason Mr. Carter's plan failed in Congress.

Bruce Reed, a White House domestic policy aide who is a co-chairman of the task force, expressed confidence that the financing would not similarly stall this plan. "The cost depends how gradually it's phased in," he said.

The Clinton plan envisions "a substantial increase" in the \$1.3 billion a year now being spent on job training programs. It would also require less in the way of state matching money.

The plan acknowledges that not everyone on welfare is physically or mentally capable of holding a job, and argues the system "must be sensitive" to granting them exceptions. Instead of job training, such people might get health or housing assistance or aid, the plan says.

★ POLITICAL NOTES ★

'Long Way to Go,' Clinton Admits on Economy

WASHINGTON — President Bill Clinton, summing up his nearly 11 months in office, said Friday his administration had turned the economy in the right direction, but conceded that the average American "has not yet felt a significant change."

"We have a long way to go," the president said in a speech to the Democratic Leadership Council. "We still are dealing with stagnant incomes, we are still dealing with the fact that more and more people who lose their jobs lose them permanently and have to find new and different jobs."

On the other hand, he said, "We have unemployment down, investment up, no inflation and low interest rates. We are moving in the right direction."

While touting the successes of his first year, Mr. Clinton raised a cautionary note: "This country is dealing with structural economic challenges of 20-year duration. We are reversing economic policies that have been building for 30 years. We are reversing economic policies that were in place for 12 years."

"We will not be able to turn this around overnight. The average American has not yet felt a significant change in his or her economic circumstances. But look at the direction we're going in." (AP)

Agency Backs Most of Gore's Proposals

WASHINGTON — Vice President Al Gore's National Performance Review got a boost on Friday. A report from the General Accounting Office, the watchdog arm of Congress, objected to only one of the 384 Gore recommendations aimed at "reinventing government."

In its first assessment of the Gore recommendations, the accounting office strongly agreed with 116 proposals and generally agreed with 146 of the recommendations. It said it could not judge 121 recommendations because it had not done work in those areas or had insufficient information.

The largely favorable report may take some of the sting out of an analysis by the Congressional Budget Office last month that showed Mr. Gore's proposals would fall dramatically short on the cost savings that had been promised.

The General Accounting Office report, however, expressed some reservations, including concern about the recommendation to cut 252,000 workers over the next five years.

"Across-the-board reductions that do not recognize the differing capabilities of agencies to absorb such cuts could significantly exacerbate existing gaps in agencies' abilities to meet their missions," the report said. (WFP)

Patience, Inaugural Invitations Are in the Mail

WASHINGTON — Senator David H. Pryor has come up with an explanation why a lot of Bill Clinton's friends and neighbors did not get their promised invitations to his inauguration.

It seems that an airplane container filled with 40,000 pieces of mail, including last year's Christmas gifts and presidential inaugural invitations, got lost at an airport in Blytheville, Arkansas. The mail, most of it from the Washington-Baltimore area, was discovered Monday and is "now wet and moldy," said Mr. Pryor, an Arkansas Democrat.

Postal officials confirmed the senator's account and said they were trying to deliver the mail as quickly as possible.

Mr. Pryor, chairman of the Senate subcommittee that oversees the U.S. Postal Service, demanded that Postmaster General Marvin T. Runyon apologize for the delay. (WFP)

Quote / Unquote

President Clinton, asked about former Vice President Dan Quayle's role in criticizing single-parent families, highlighted by his attack on the TV character Murphy Brown: "I read his whole speech, his Murphy Brown speech. I thought there were a lot of very good things in that speech. I think he got too cute with Murphy Brown, but it is certainly true that this country would be much better off if our babies were born into two-parent families." (Reuters)

Away From Politics

• The Hubble Space Telescope was shut down Friday as shuttle astronauts closed in on the \$1.5 billion flawed observatory to make repairs. Ground controllers switched the telescope to low power and closed the protective door over the mirror in preparation for rendezvous and capture operations on Saturday. Astronauts plan to install 11 new parts in the telescope, including corrective optics.

• The annual cost of depression in the United States is \$43.7 billion, on a par with heart disease, a new study shows. About 11 million people suffer from depression in a given year, and nearly two-thirds go undiagnosed and untreated, according to the findings, which were published in The Journal of Clinical Psychiatry. Frederick Goodwin, director of the National Institute of Mental Health, said that clinical depression ranked second only to advanced coronary heart disease in the total number of days patients spend in the hospital or at home.

• Mayor-elect Rudolph Giuliani has named William J. Bratton, the flamboyant police commissioner of Boston, to lead the New York City Police Department. For Mr. Bratton, the appointment marks a triumphant return to New York City, where he won wide praise during 21 months at the helm of the transit police.

• The man who killed three state unemployment workers and a police officer in Oxnard, California, had been turned down for jobless benefits and lost an appeal that went all the way to the Supreme Court, according to documents he left behind. The rampage ended when Alan Winterbourne was shot to death by the police after he went to a second unemployment office in Ventura.

• The military has its first Islamic chaplain. Abdul Rasheed Mohammed, of Buffalo, New York, was sworn in as a first lieutenant Friday and assigned to the army's basic chaplain course, the Pentagon said. Upon graduation next April, he will be stationed at Fort Bragg, North Carolina. There are about 2,500 Muslims in the armed forces.

• Global warming could mean big trouble for the Southwest, a federal study shows. It warns that the effects of temperature increases of 2 to 4 degrees centigrade could bring dramatic reductions in hydroelectric power generation, severe water shortages for Arizona cities, widespread crop damage in Southern California and Northern Mexico and the degradation of fish and wildlife habitat from Colorado to the border with Mexico.

LAT, NYT, AP



AWAITING SENTENCE — Damian Williams, who was convicted in the beating of a Los Angeles truck driver during the April 1992 riots, listening to arguments during a hearing. He faces up to 10 years in prison after being found guilty of felony mayhem.

Murder-Suicide of 3 Officers Shakes Navy

By Fern Shen and Christine Spolar
Washington Post Service

WASHINGTON — People expected special things from Kerry O'Neill, George F. Smith and Alton Grizzard, who knew each other as midshipmen at the U.S. Naval Academy in Annapolis and wound up near each other again at posts in San Diego.

Ensign O'Neill, 21, had it all, friends and teachers said: brains, looks and athletic gifts that made her a track star at the academy where she graduated in May.

Ensign Smith, 24, had just completed an elite program in Groton, Connecticut, for oceanic submarine engineers.

Lieutenant Junior Grade Grizzard, 24, a former star quarterback, would have ended up as an admiral, predicted an official in Annapolis. "I told people we would hear something great from him," said another.

Early Wednesday, two days after Ensign O'Neill broke off her engagement with Ensign Smith, three lives full of promise ended in violence.

The police said Ensign Smith, evidently distraught about the breakup of the four-year relationship, walked to Ensign O'Neill's apartment at the Naval Amphibious Base in Coronado, near San Diego, and shot and killed Lieutenant Grizzard, who was visiting her. He shot and killed Ensign O'Neill and then turned the gun on himself. He died later in an ambulance.

Ensigns Smith and O'Neill had been separated for some months. After school in Groton he had moved back to his native California in the past 10 days. She had moved to Coronado and reported for duty Oct. 12, according to navy officials.

A detective said she had wanted to end the engagement because "she said she had other plans for her life," and Ensign Smith apparently accepted her decision at first. But he was also bitter, friends told detectives. He tried to change her mind and wrote her a 13-page letter which was found in her apartment that night.

The letter, in so many words, said he wanted her back, according to Detective Dan Winner. The detective said the two appeared to have

spoken and argued the night before the shooting. Early Wednesday, Ensign Smith carried two guns by the security guard at the amphibious base and then by the desk clerk of Bachelor's Officer Quarters and up to Ensign O'Neill's sixth-floor studio.

Lieutenant Grizzard apparently opened the door, detectives said. Neighbors told the police they heard angry words and then shots.

At the academy, Ensign O'Neill's athletic accomplishments brought her the school's top honor for a graduating woman athlete — the Vice Admiral William P. Lawrence sword. She earned 12 varsity letters, four in cross-country, four in indoor track and four in track and field. She also set three women's records at the school: the fastest time on the cross-country course and the fastest indoor and outdoor 5,000 meters.

Lieutenant Grizzard, playing quarterback in 1990-91, was navy's all-time total offense leader and became the fourth player in academy history to rush for 2,000 yards in a career. In his senior year, he set a record by passing for 12 touchdowns.

Publisher Steps Down at Los Angeles Times

The Associated Press

LOS ANGELES — David Lavenhol has announced his retirement Jan. 1 as president of Times Mirror Co. and publisher of its flagship newspaper, the Los Angeles Times, because he is being treated for Parkinson's disease.

Mr. Lavenhol, 60, said in a memo to the staff of the Times that he would become editor at large of the newspaper, a role that "will be a little less demanding, which will be helpful personally."

He will be succeeded as publisher by Richard T. Schlosberg 3d, a senior vice president of Times Mirror Co. He joined the group in 1983 as publisher of The Denver Post.

and was president of the Times in 1988-90.

Robert F. Erbure, 63, remains chairman and chief executive officer of Times Mirror, and will assume the title of president.

Shelby Coffey 3d, editor of the Times, called Mr. Lavenhol "one of the great leaders of American publishing, a shrewd and genial innovator who has led us smartly through a tough recession."

Mr. Lavenhol has been president of Times Mirror since 1987 and publisher of the paper since September 1989. He was editor of Newsday, Times Mirror's Long Island-based daily, from 1970 to 1978, and was then publisher of Newsday until he joined the Times.

He previously worked at The Washington Post.

Mr. Lavenhol has served as chairman of the Pulitzer Prize board and is chairman of the International Press Institute. He is a member of the board of the Newspaper Association of America and director of the American Press Institute. He was elected to a three-year term on The Associated Press board this year.



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Rabin Cautions U.S. to Stay Out of Talks on Self-Rule

By Clyde Haberman
New York Times Service
JERUSALEM — As Secretary of State Warren M. Christopher arrived to push Middle East peace...

and Israel television on Friday night showed Israeli civilians shooting repeatedly at Arab stone-throwers...

United States will step in and force Israel into concessions. For this reason, they say that they regret the timing of the visit by Mr. Christopher and Syria...

security for settlers and the size of one of the first autonomous regions — the West Bank town of Jericho.

If a GATT Deal Comes, Balladur Will Still Have The French to Convince

By Alan Riding
New York Times Service
PARIS — France must be the only country in the world where GATT is a four-letter word...

European negotiators was insufficient. But even in Paris, the expectation is that France will eventually sign onto GATT.

U.K.-Irish Talks Produce Heat but No Framework for Peace

By James F. Clarity
New York Times Service
DUBLIN — After seven hours of apparently heated discussions, the prime ministers of Britain and Ireland failed Friday to reach agreement on a new formula that would lead to an end in violence in Northern Ireland...

Friday's talks took place at Dublin Castle, a 17th-century bastion that was the seat of British colonial power in Ireland until 1922...

wants Britain to quit the North and have it unite with the Irish Republic, and the Protestant leaders, who want to remain part of Britain...

likely to provide Mr. Adams and Sinn Fein with a strong argument to the IRA to agree to end its violence.

PENSIONS: For Europe's Retirement Plans, It's Rough Weather Ahead

Continued from Page 1
cent in 20 years' time. This would be a crushing burden on France's shrinking workforce.

of jobs. In particular, experts decry the recent calls for everything from shorter work weeks in more holidays and earlier retirement ages.

to bolster reserves to cope with projected increases in retiree well into the next century. Making that feat far less daunting was the fact that retirement benefits in the United States are far lower than in Europe.

Continued from Page 1
The vice president's foreign-policy credentials stem from his involvement as a senator in such key issues as arms control.

Shelling in Sarajevo Leaves 4 Civilians Dead and 16 Hurt

SARAJEVO, Bosnia-Herzegovina — Artillery shells killed several civilians here on Friday after Bosnia's rival leaders ended peace talks in Geneva without a settlement.

Alija Izetbegovic, Bosnia's Muslim president, returned to the besieged capital on Friday after peace talks in Geneva with rival Bosnian Croat and Serbian leaders ended without a resolution to territorial disputes.

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سكزا من الإصل

Citing New Threat, U.S. Tinkers With Anti-Missile Pact

By Michael R. Gordon
New York Times Service

WASHINGTON — The Clinton administration has proposed updating the 1972 Anti-Ballistic Missile Treaty to accommodate a new anti-missile system designed to protect against Third World threats, administration officials have disclosed.

To underscore the significance of the administration's change, a White House official flew to Geneva early this week to propose the modification to Russian arms negotiators.

The Clinton administration's proposal to "clarify" the treaty has drawn criticism from arms-control groups, which say that it will undercut one of the pillars of arms control. The ABM treaty puts limits on the testing and deployment of anti-missile defenses.

"If the Russians were to propose this to us, I would counsel the Clinton administration to reject it," said

John Pike, an arms-control expert at the Federation of American Scientists. "It basically eviscerates the ABM treaty."

But administration officials assert that the ABM treaty needs to be adjusted to cope with the growing threat of missile attack by Third World nations against U.S. forces and allies.

At the heart of the debate is a system the Pentagon has dubbed *Thaad*, a heat-seeking interceptor to shoot down enemy missiles. The purpose of the system would be to defend U.S. forces, not the continental United States, against attacks by such medium-range missiles as *Scuds*.

To give the Pentagon the leeway it needs to build the *Thaad*, the administration is proposing that the ABM treaty be interpreted less strictly. That accord is designed to prohibit nationwide defenses against long-range missiles. To achieve that objective, the treaty also limited the capabilities of interceptors that could shoot down shorter-range missiles.

Administration officials say that the greater danger now is not a superpower arms race but rather Third World governments with shorter-range and medium-range missiles.

"The line in the treaty has to be moved to reflect the threats we face," an official said.

The Clinton administration is proposing that only interceptors that demonstrate the capability to shoot down enemy missiles that travel at more than about three miles (five kilometers) per second be subject to the treaty limits.

That is a more permissive standard than the one Washington has used for 20 years, which held that interceptors that can shoot down missiles that travel at about two miles a second are subject to the treaty.

The new standard was proposed to the Russians by Robert G. Bell, a senior member of the National Security Council Staff.

The change provoked debate within the Clinton

administration. The more permissive standard was initially pushed by the Pentagon, but opposed by the Arms Control and Disarmament Agency and the State Department.

Finally, at a cabinet-level meeting last month, W. Anthony Lake, the national security adviser, sided with the Pentagon, as did Madeleine K. Albright, the U.S. chief delegate to the United Nations. The State Department came around.

But Spurgeon M. Keeny Jr., president of the Arms Control Association, says the administration's proposed standard is so permissive that it undercuts the fundamental purpose of the ABM treaty.

The United States and Russia, he said, would be able to deploy an unlimited number of anti-missile interceptors that are capable of shooting down long-range missiles provided they were only tested against targets that traveled no more than three miles per second.

Just a Blip in the Drug War

After Escobar Death, Real Problems Remain

By James Brooke
New York Times Service

BOGOTÁ — The death of Pablo Escobar Gaviria, Colombia's most notorious cocaine lord, offers the government a symbolic victory in a war in which it is faring badly.

On the propaganda front, Colombia long ago personalized the drug war against the Medellín traffickers by focusing on Mr. Escobar, who was killed in a hail of

gunfire Thursday in a rooftop shootout with security forces in Medellín, his hometown. What the government neglected to mention was that its highly publicized war has had very little impact on drug shipments to the United States.

The police pressure of recent years served largely to shift the center of Colombia's cocaine trade from Medellín to Cali, in the south. With the Medellín cartel splintered, traffickers based in Cali have grabbed 80 percent of the nation's export market.

The government was slow to move against the Cali ring; it was not until September that a prosecutor ordered the arrest of its kingpin, Miguel Rodríguez Orejuela, on trafficking charges.

Together, Colombian cartels control 80 percent of the world's thriving cocaine trade, an industry that nets \$20 billion a year, according to officials of the U.S. Drug Enforcement Administration. Only a small fraction of drugs from Colombia to the United States are seized, the officials add.

The \$6 billion of cocaine cash repatriated to Colombia annually cuts through all government institutions. On Monday, for example, four bodyguards of the



Marina Escobar, sister of the drug boss Pablo Escobar Gaviria, meeting the press Friday in Medellín.

Thousands Crowd Cemetery to Mourn Drug Lord as Hero

By Douglas Farah
Washington Post Service

MEDELLIN, Colombia — Thousands of admirers and friends gathered Friday to say a raucous goodbye to Pablo Escobar Gaviria, one of the most hunted criminals in the world but a hero to many in his hometown, where his generosity was legendary and his ability to defy the law admired.

"For the government, this was a big victory, but for those of us in Medellín it's a big defeat," said one man as thousands of people tried to jam into the Jardines Montesacro chapel to glimpse the open steel casket holding Mr. Escobar. "His cause was just, and we love him and he loved us."

Mr. Escobar, a founder of the infamous Medellín cocaine cartel,

was shot and killed Wednesday by members of a special police unit. While his followers cheered and chanted his name, Mr. Escobar was buried in the chapel grounds while the police and army held back the crowds. There was no religious ceremony. His wife and children were unable to attend the ceremony because of the pandemonium. His mother and other relatives were present, however.

"I would say there are two primary benefits from the attempts to capture Escobar and his death yesterday," said Stephen H. Greene, acting administrator of the Drug Enforcement Administration, in a telephone interview. "The first is symbolic, because Escobar was known throughout the world for a time as the preeminent drug kingpin, and also preeminent narco-terrorist, an assassin, a murderer and a thug... thought by many to be

above the law, untouchable. And he was not."

He said the second benefit was that President César Gaviria Trujillo had promised to "take all the resources" used to hunt Escobar, and they were substantial, and direct them at the Cali cartel.

But, while much of the country and the outside world rejoiced at Mr. Escobar's death, many in this city that saw thousands of people die in drug-related violence, viewed him as a hero. Giant headlines proclaimed Mr. Escobar's death, most newspapers ran special sections on his life, and television and radio stations carried special programs.

Mr. Escobar spent millions of dollars paying scores of building and housing for many in the shums that ring Medellín. In the suburb of Envigado, where he grew up, Mr. Escobar funded the nation's only

unemployment compensation service, and health care. Salaries for the unemployed and money for prescriptions were often doled out at the mayor's office.

To repay his generosity, scores of cars lined up to drive onto the chapel grounds where the wake was held, and lines of thousands of people inched along, waiting to be frisked by police before being allowed to enter the property.

Thousands more, many bearing flowers or signs proclaiming their love for Mr. Escobar, crowded around the chapel, at one point pressing in so close they broke the large glass panes around the buildings. Parents passed their children to be held by people close to the coffin so their little ones could view the casket.

■ **Gaviria Vows More Action**
President Gaviria said Friday he would use "all the pressure of the Colombian security forces" to break the cocaine cartel still in operation, Reuters reported from Bogotá.

"We have the will to dismantle all the cartels," Mr. Gaviria told CNN in an interview from Bogotá. "We have learned a lot on how to dismantle the cartels."

Mr. Gaviria said he understood skepticism about the effects Mr. Escobar's death and the destruction of the Medellín cartel would have on drug trafficking "but we think this is very important because some time ago this was the organization that traded most of the cocaine to the United States and other countries."

U.S. Offers to Mediate in Ukraine Feuds

By Elaine Sciolino
New York Times Service

BRUSSELS — The United States offered Friday to mediate a wide range of thorny security disputes between Russia and Ukraine, including military protection for Ukraine, the dismantling of its nuclear arsenal and Russian compensation for Ukraine's highly enriched uranium, a senior State Department official said Friday.

The offer, made by Secretary of State Warren M. Christopher during a meeting with Ukraine's foreign minister, Anatoli Zlenko, is part of the Clinton administration's strategy to nudge Ukraine into giving up its nuclear weapons by offering it political and economic incentives, the officials said.

Ukraine's missiles and bombers make it the world's third-largest nuclear power after the United States and Russia, and in the last several months, Ukraine has stiff-

ened its conditions for dismantling and destroying them, in part because of a growing pro-nuclear lobby in its parliament.

Reflecting the ambivalence and political pressures involved in becoming a non-nuclear state, Ukraine's leaders told Mr. Christopher in Kiev in October that they were committed to ridding the country of nuclear weapons, but want billions of dollars and pledges of Western military protection to do it.

Mr. Zlenko denied Friday that his country was using nuclear blackmail to extract security promises and money from the West, saying after the meeting, "No, I would like to tell you that our economic situation obliges us to find the solution to very acute problems."

Senior aides to Mr. Christopher said that for some time Russia has been eager for American mediation in its dispute with Ukraine and that

Mr. Christopher raised Ukraine's concerns and mentioned his offer to mediate in a subsequent meeting Friday with Russia's foreign minister, Andrei V. Kozyrev.

But the aides said Mr. Christopher was extremely frustrated with his conversation with Mr. Zlenko, which took place against the backdrop of a meeting of foreign ministers of the 16 NATO members and 22 members of the former Soviet bloc to prepare for next month's NATO summit meeting.

Mr. Christopher pressed Mr. Zlenko, for example, on why his country had not yet signed final implementing agreements that spell out how Ukraine intends to spend \$175 million in American funds to begin the dismantling of its nuclear weapons. Once the agreement is signed, the United States will send the money.

The United States has also re-

cently pledged to give Ukraine \$155 million in economic aid and loan guarantees in fiscal 1994 but only if it makes strides in decentralizing its economy.

NATO foreign ministers threatened Thursday to exclude Ukraine from an American plan that would expand NATO cooperation eastward if it did not fulfill its promises to become a nonnuclear state.

In presenting the American plan on NATO to the countries of the former Soviet bloc on Friday, Mr. Christopher was met with one basic question by a number of Central European countries: When can we join?

Their reaction was decidedly less enthusiastic than that of America's NATO allies, which embraced the proposal on Thursday as a way to offer a hand to the former Soviet bloc countries but avoid letting them into NATO anytime soon.

WHO PUT THE RAINBOW IN THE WIZARD OF OZ?

Yip Harburg, Lyricist

By Harold Meyerson and Ernie Harburg. 454 pages. \$35. University of Michigan Press.

Reviewed by Terry Teachout

QUICK, now — who wrote "Over the Rainbow"? If you answered "Harold Arlen," as most reasonably well-informed people do, you win the booby prize. Yes, Arlen wrote the music to "Over the Rainbow," but the words are by E. Y. (Yip) Harburg, whose other songs, written with and without Arlen, include "It's Only a Paper Moon," "April in Paris," "Happy Feet," "Just a Fool Thing," "Call Me the Breeze," and "Old Devil Moon," a blue-jazz

portfolio of standards if ever there was one. Yet Harold Arlen occupies a prominent place in the annals of popular culture, while Yip Harburg, who died in comparative obscurity in 1981, is now remembered only by specialists in American popular song.

Why have the great American lyricists gotten such a bum deal from posterity? After all, the expressive power of a popular song, as any good singer will tell you, is the product of words and music working in tandem. To this day, W. S. Gilbert, grandfather of the modern English-language song lyric, receives top billing over Sir Arthur Sullivan. By contrast, most of Gilbert's best-known American acolytes languish on the far side of the "and": George and Ira, Rodgers and Hart, Kern and Hammerstein. As for the journeyman lyricists who, like Yip Harburg, worked with many composers, only one, the matchlessly gifted Johnny Mercer, achieved true celebrity.

Not surprisingly, there are precious few good books about lyrics and lyricists, and "Who Put the Rainbow in the Wizard of Oz?" co-authored by Harburg's son Ernie, is one. Though there are more obviously interesting biographical

subjects than Yip Harburg, the quality of his output certainly justifies a book-length study, especially one as detailed and thoughtful as this. To look at the early drafts of "Brother, Can You Spare a Dime?" reprinted here is to realize that the solid craftsmanship of second-tier lyricists like Harburg merits the attention of anyone seriously interested in light verse.

As the authors explain in their preface, this is not so much a conventional biography as "a study of [Harburg's] work and his sensibility as a lyricist, his craft, his themes, his politics, his composers, and the contexts in which he wrote." Harburg's politics are of particular interest, if only because they were so mechanistic of the lyricists of his generation. Like most of his song-writing contemporaries, Harburg was born in the Jewish ghetto of New York's Lower East Side at the turn of the century; unlike them, he grew up to become, in his own words, "one of those vociferous guys who was fighting injustice and joining all the movements at the time," eventually making his way onto the McCarthy-era Hollywood blacklist.

After World War II, Harburg wrote a string of mostly unsuccess-

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Herald Tribune

AMERICAN TOPICS

Increasingly, Teens Go on Trial as Adults

Homicides by teenagers are on the rise and so are measures to try them as adults rather than juveniles. The New York Times reports. In California, 18.7 percent of homicides last year were committed by juveniles, up from 9.8 percent in 1986. California legislators are considering a measure to lower the age for trial as an adult in murder cases from 16 to 14. Similar measures already have been enacted by nine other states, and many more are considering them.

"Juveniles have become more violent and deadly, and kill at much younger ages," said Chuck Quackenbush, a Republican legislator, who introduced the California bill.

The mission of juvenile courts, which ordinarily handle defendants under age 18, is not to punish offenders but to help them become law-abiding members of society. A consensus among legislators nationwide, however, holds that some crimes are so horrific that age should not be a primary consideration.

Mark Soler, executive director of the Youth Law Center of San Francisco, said he does not object to giving certain brutal young offenders long sentences, but worries that public fury over a few isolated cases will push larger categories of youths, most of them neither evil nor unrepentant, into a system where they have no chance of rehabilitation.

Short Takes

Students who enroll at a particular university in hopes of getting into a class taught by an academic superstar — a Nobel prizewinner, for example, or a best-selling novelist — often are in for a disappointment. Frequently such academic celebrities teach only graduate students, or do no teaching at all, instead spending all their time on research. Increasingly, the New York Times reports, universities are trying to tempt the distinguished professors out of their ivory towers. "One approach is to spread the administrative load around so there will be more time to teach. Another is to get the superstars to design undergraduate courses; this often gets them interested in teaching the courses themselves. But the problem persists. One veteran academic, speaking on condition of anonymity, said, "Frankly, it's easier to talk to a group of 10 advanced students than 70 who are not advanced. There's less grading, fewer naive questions and it's more stimulating intellectually."

Why Kwok Wei Chan, an aesthetologist, and Mohan Korgankar, a surgeon, started arguing during an operation has not been revealed. But, according to the Massachusetts Board of Registration in Medicine, Dr. Korgankar threw a cotton swab at Dr. Chan and the two scuffed briefly while a nurse monitored the patient, an elderly woman, who slept through the incident. Then the two resumed the operation. The board fined each of them \$10,000 and ordered them to undergo joint psychotherapy. The hospital put them on five years' probation.

Tom Shales, TV critic for The Washington Post, does not like "Bonanza, the Return," a sequel to the 1959-73 TV hit, "Bonanza," about doings on the Ponderosa ranch. The villain "has his evil eye set on the Ponderosa, and why? Because he wants to strip-mine it into a wasteland, that's why! And as everybody knows, that would be politically incorrect." The show is "marked by some of the worst acting this side of the Pedernales. Or, heck, any side of the Pedernales." In short, "Yes, we have no 'Bonanza.'"

Arthur Higbee

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Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Clinton Buying Off North Korea

By Russ... It was tempting to think that North Korea might be bargained off of making the Bomb. It is still possible that bargaining will work. But it is necessary for the world to see the risks involved in trying to buy off Kim Il Sung; to recognize that the attempt may fail; and to be ready for what surely he is likely to do.

A person... It has probably not worked. The North Koreans apparently are still unwilling to allow even those routine checks to be summed. The suspicion grows that they are playing for time, while their bomb-making proceeds.

A Welcome Snub in India

Since independence in 1947, despite notable wobbles, India has bowed to the democratic and secular compact that has kept a huge, highly diverse country from flying apart. That Gandhian compact has been severely tested by a Hindu nationalist movement called the Bharatiya Janata or Indian People's Party.

Pollard Is No Innocent

Free Jonathan Pollard now, says the Israeli government and the many Americans conducting a renewed campaign in behalf of the former U.S. naval intelligence analyst who was convicted in 1987 of spying for Israel and sentenced to life. Certainly a case can be made that a prison term ending when he becomes eligible for parole in 1997 would be plenty long enough.

Other Comment

From Volvo to Europe... The cancellation of the Volvo-Renault marriage is not good news for the image of the French and Swedish automakers. Nor is it good news for those who advocate a more ambitious European industrial policy.

Beckoning the Syrian to the Chessboard With Israel

WASHINGTON — Stonings in the streets and scurrings in the corridors of power in the Middle East obscure a bold American bid to carry off four Arab-Israeli peace agreements — the one that Israel made in September with the PLO plus others with Syria, Lebanon and Jordan — in a year. The key to this emerging Clinton administration design is to bring in Syria, and soon. This is a principal purpose of Secretary of State Warren Christopher's trip to the region.

A 'Chemistry' Problem

NEW YORK — The first he knew that his reputation was to be begrimed and his career in an government ended was when he read the one-paragraph notice of pending oblivion. It was one of those unsourced pieces of nastiness — the knife in the dark, handed over by an unseen assailant to an unnamed journalist to inflict the wound, fast, deep, cruel.

opening positions, can unfold when implementation of a Palestinian accord begins. That is a finite time, if things go passably well. For a while, Mr. Assad, witnessing Israel's peace openings to the PLO and Jordan, may have felt the United States was continuing to deny Syria recovery of its war-lost territory and assurance of its place in the Middle East sun. In fact, Mr. Assad was learning the unpalatable lesson that he had lost much of his spoils' power. At first fusions that he could no longer control the Palestinians, he was able to move toward the position that their cause was now someone else's burden.

Christopher Can Make It All Happen

BOSTON — The timing of Warren Christopher's Middle East visit gives him a rare opportunity. He may be able to start a process that would finally end the conflict between Israel and its Arab neighbors. The crucial need now is to break through the stalemate in negotiations between Syria and Israel. From that much else would follow. And the person best placed to do it is the U.S. secretary of state.



A Vote for Continuity in Taiwan, to the Likely Relief of Beijing

TAIPEI — Local elections in Taiwan last weekend sent mixed signals about democratic development in a country where martial law was lifted only six years ago. But in Beijing they are likely to have been greeted with relief. The fact that the polls took place at all suggests that Taiwan is moving toward status as a full-fledged democracy. But there were worrying trends in the campaign which, if left unremedied, could weaken representative government.

turned a blind eye to the practice; most vote-buying allegations have been directed at KMT candidates. Concern is also growing over the role of organized crime. Two candidates withdrew, saying that they and their supporters had been threatened and harassed by mobsters running their opponents' campaigns.

The Maniacs in the Rearview Mirror

WASHINGTON — You see them coming several blocks back. Your rearview mirror reveals cars driven with a nervous, jerking, lunging, spastic intensity, chinging to the bumpers of the cars ahead, weaving across lanes, rushing toward the next red light. Toward, and often right through, it.

1893: Blowing Up Nelson

NEW YORK — The preliminary trial of Mercier, Pell and De Martigny, the young men recently arrested for attempting to blow up Nelson's Monument in Montreal, commenced yesterday [Dec. 3]. Mr. H. Mercier, first-prize winner of the \$100,000 prize for the arrest and stated the prisoners appeared to treat the whole matter as a joke. The son of the Chief of Police in Montreal had also been arrested, but was subsequently released.

1943: Finland Fights On

STOCKHOLM — [From our New York edition.] Finland apparently has determined to fight on against Russia as a full partner of Germany, abandoning her former propaganda line that she was engaged in a private struggle, a reliable informant said today [Dec. 4]. This policy was said to have been decided on after the Moscow conference of Allied foreign ministers, which the Finns interpreted as meaning only unconditional surrender for Finland. Cabinet members were pictured as fidgeting completely unacceptable, preferring to fight on if necessary even after a surrender by the Axis.

1918: Wilson's Tribute

PARIS — Among the great State papers which President Wilson has contributed to the archives of history in the course of the war, the speech which he made before Congress Monday [Dec. 2] will take high rank. The Allied people endorse and echo wholeheartedly every word of that glowing

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"Flight of Witches," one of 98 works shown in Madrid.

Tracing Goya Through His Small Paintings

By Alan Riding
New York Times Service

MADRID — Even the Prado Museum, with its unequalled collection of paintings by Francisco de Goya, might well feel intimidated by the prospect of trying to convey the life's work of this prolific and protean Spanish master in a single exhibition.

But it has found an ingenious way of doing so. By passing over his best-known masterpieces and showing only his small-format paintings, the Prado has been able to trace his passage from youthful optimism to the dark melancholy of his final years in exile in France without missing a step.

By definition, the exhibition is more intimate than say "Goya and the Spirit of the Enlightenment," the best major show of his works here in 1985. It fills only three rooms of the museum, while some of the smallest pieces — his miniatures of the Goyochica family, for example — would fit into a coat pocket.

"But they have almost the same force of invention, thought and imagination as the larger works," said Juliet Wilson-Bareau, the British curator of the exhibition. "It's evident that Goya put a lot of himself into every work he did. He was always thinking of the final result."

With 98 works, including half a dozen late lithographs of his bullfighting series, "Goya, Caprice and Invention" will be on display until Feb. 15. In March, it will travel to the Royal Academy in London. In July, it will move to the Art Institute of Chicago for three months.

To be faithful to their aim of showing Goya's genius through his small paintings, the organizers of the exhibition have had to reach far, borrowing works from museums in eight other countries as well as from a dozen private collections.

The early works, which reflect the influence of Goya's trip to Italy in 1770 when he was still in his early 20s, are in the main religious, and they provide a foretaste of the more ambitious frescoes he painted in numerous Spanish churches later in life. Those at the church of San Antonio de la Florida in Madrid, completed in 1798, have just been restored.

By the mid-1780s, Goya had begun painting the world around him. And here, the Prado has reunited his 1786 series of the four seasons — bucolic scenes of spring, summer and fall along with peasants trudging through a winter snowstorm — that belong to four different collections and are rarely seen together.

For Manuela Mesa, the Prado's assistant director, eight small oils on tin-plate painted in 1793 and 1794 — four on the theme of bulls and bullfighting — mark a particular turning point for Goya because, as she put it, "this is the moment that this court painter stops painting for tapestries and starts painting for himself."

His growing versatility is immediately apparent in "The Shipwreck" and "The Mad House," where the first echoes of William Blake can be seen in his works. Although the works are on loan from different collections, the Prado has created the sense of a series by framing the eight paintings in the same way.

In contrast, the six paintings that show Friar Pedro de Zaldívar heroically disarming the feared bandit Maragato are all on loan from the Art Institute of Chicago. And as much as any others, these illustrate Goya's own desire to be in tune with the events of his day: in this case, June 10, 1806.

"This was a very famous occasion," Wilson-Bareau said of the capture of Maragato. "It was celebrated in poems and pamphlets and was the talk of Madrid. These paintings show Goya almost as a cartoonist recording the drama blow-by-blow."

Indeed, like stills from a movie, Goya shows the good friar being threatened with a rifle, pushing it aside, wrestling with the bandit, disarming him, firing a shot at him and, finally, tying him up. The six paintings depict an event that was probably over in less than one minute.

From near the end of his life, when he was living in bitter exile in Bordeaux, the exhibition has chosen seven of the series of tiny works — some just four inches square — in which Goya painted on ivory. And these too are as familiarly Goyaesque as any. "A Man Looking for Fleas in His Shirt" and "A Man Eating a Leek" suggest his affection for mankind has evaporated.

Auctions: More (or Less) Than Meets the Eye

LONDON — Things are seldom what they seem to be on the art market. But never was the contrast between appearance and reality quite as extreme as this week. Any casual observer attending the auction of Impressionist and Modern masters conducted at Christie's by Charles Allsopp must have felt that a crisis was in the making.

The pace was slow, at times painfully so. Several paintings were knocked down below the low estimate.

SOUREN MELKIAN

some selling on just one or two bids from the room. And indeed the impression that came across after reading the London press on the subject was bleak. The same observer would have been utterly puzzled by the glee with which professionals reacted. The truth is, there is no elegant way of telling the world that £14.2 million is a realistic total for a sale with so little worth writing home about. If 16 of the 55 lots failed, it is essentially because they were so bad that it is hard to imagine anyone ever really wanting them.

No auction expert in his right mind will take the risk of saying, for example, that the Odilon Redon that crashed at £200,000 (£300,000) on Monday night comes within inches of the very worst in the artist's oeuvre. Add the more subtle cases. There was a delightful little Vuillard, which was only a sketch in oils, painted on card laid on panel, with cracks visible in the lower area. It is composed in a horizontal oval format, never the most popular. All told, it sold quite well at £73,000. Also, none of this can be spelled out, particularly not when your printed estimate stands at £70,000 to £100,000, plus premium.

Nor is it easy to claim that £881,500 is a hell of a price for Kandinsky's (small) abstract watercolor of 1912-1913. Only 10 months earlier, it would probably have been knocked down at around £500,000, which makes the £800,000 to £1.2 million estimate unduly optimistic. But the dealers, who don't need to be told all this, felt chirpy as rarely before, since the 1990 crash. They knew that the market had yet again gained in strength.

The two rarities in the sale had gone through the roof. High up at the top, there was Le Douanier Rousseau's "Portrait of Joseph Brummer." It is the only important work by the self-taught customs clerk to have appeared at auction in years. Done in his naive fashion with just the merest Surrealist whiff to it, it is the archetypal Rousseau that any museum in need of one would go after. At just over £3 million, it fetched a very high price, but that is no cause for surprise. Next in line came Willi Baumeister's abstract composition with claims to Surrealism echoed in the title: "Monturi, Diskus III (mit Schwarzwald)." Hughes Joffe, director of Christie's 20th-century pictures department, says that no such picture has turned up in the open market within the last decade. The only other Baumeister of any consequence, small and not comparable in importance, was seen in London in May at Christie's German Art sale, where it set a record for the artist at £218,950.

This week a new record was established with "Monturi, Diskus III" at £480,000. To dealers, the high prices paid for upper-range works that were not of that degree of rarity, spell



Rousseau's "Portrait of Joseph Brummer" (1909) brought £3 million.

even better oews. No collector can gladly pass up a unique piece. But he will do just that when offered a superb picture or object to which he might hope to find an alternative at a later date, in financial circumstances more favorable to him.

Raoul Dufy's "Les Deux Modèles" is that kind of picture. It did very well at £463,500. True, when last seen at a Paris auction in 1990 (Christie's refrained from mentioning the fact), it had a reserve known in the trade to have been set at 6.5 million francs. The Dufy failed to reach it at the auction and was sold immediately afterward to this week's vendor. Sources say he paid 5 million francs. If true, as seems highly likely, the Dufy this week lost one fifth of its value, canceling the artificial gains registered by the artist and others of his ilk after speculation from 1988 to 1990. Regrettable for the vendor, it is healthy for the market, which is starting afresh on the right footing.

But the soundest indicator of a new surge of

vitality in the market lies in the zest with which third-raters were being snatched up. A Pissarro that seemed doomed — it looks like a Barbizon School landscape painted with Impressionist brush strokes — made it to £342,500. It was followed by a double feminine portrait done by Nolde in 1947 as a rebash of the much earlier Expressionist style, which sold for £353,500.

These and others pale into insignificance, however, when compared with the string of mediocrities successfully sold at Sotheby's the next night. To achieve a £10.6 million score out of so little is astounding. The session started off with a single-owner collection, the Pierre Berès Collection of Paintings and Other Works.

The 80-year-old Berès is one of four or five leading dealers worldwide in rare books and manuscripts. Appropriately enough, the jewel in the crown was an exquisite Cubist still life done by Juan Gris in 1913 as a cover for a volume of Paul Reverdy's "Poèmes en Prose." The small thing in collage, gouache and pencil, — or rather the volume, to which it still belongs — soared to a generous £463,500.

"Sous le Portique," a delightful scene by Vuillard executed around 1900, lovely for its light, made precisely the same price. It could hardly have fared better. Finally, a portrait of a woman seated on a balcony, beyond which the beach and the sea can be seen, has a charm not often associated with Matisse. It went up to £419,500, which is about right. And there the Impressionist and 20th-century art of some importance stopped. To give a separate catalogue to such a group of works, thin and disparate (it even included an Ancient Roman mural fragment), shows that auction houses are desperate in boast single-owner art hoards, no matter how tiny.

If any doubt subsisted that the real market problem now is one of supply, this was dispelled at the sight of some of the nonentities admitted into the excited Part I session. Not so long ago, such an undistinguished piece as Van Dongen's "Les Salons du Casino de Deauville," done around in 1925 in the artist's café-society manner, would have been pushed out into the Part II section, with many more. It was not, and it sold on a £115,000 bid (£128,000 with premium), far below the low estimate, which had been set so high (£150,000) that it stood little chance of ever being reached. Wisely, Simon de Pury, deputy chairman of Sotheby's Europe who conducted the sale, let it go at the price he could get — high enough as it is.

THROUGHOUT the sale, de Pury succeeded in extracting the ultimate bid that got many hopeless works to vault over the reserve. These ranged from Impressionist works of the most uninspired kind — a confused "Le Pré à Eragny" by Pissarro with cows in it (no one wants cows) at £271,000 — to the deeply mediocre Fauve work of Collioure by Matisse at £177,500 and an interior scene by Vuillard at £298,500, "Le Bridge" dated 1923. Such a performance would not have been possible without a bullish market eager to get its teeth into almost anything.

The ultimate proof of that was provided on Thursday afternoon in a stunning, brief Part I Contemporary sale conducted at Christie's by Joffe. The £3.7 million sale may not be huge. But for the first time since 1990, the failure rate was under 10 percent, at a very moderate 8.2 percent by value. The most expensive picture in a European Contemporary sale this week was sold — Dubuffet's "Deux Figures dans un Paysage," bought for £518,500 over the telephone from the United States.

Professionals were particularly struck by the vigor of German bidding, which extended to Italian artists (Domenico Gull's "Inside a Lady's Shoe," £74,100; Alberto Burri's "Legno P1," £100,500) and French painters (Jean Fautrier's "Nu Rose," £183,000), as well as to German paintings. The Italians also made determined attempts. Most surprisingly a battle broke out between two British collectors over a Dubuffet, "Mademoiselle Bois de Rose." The winner, represented by his French curator Jean Albeau, got it for £304,000, less than a third of what it had cost its buyer in Paris in 1990, at the Bourdon sale. In the entirely new atmosphere of feverish buying that is becoming perceptible once again for the first time since the 1990 autumn crash, there is a lesson here that should be borne in mind.

Nabis Show Rescheduled

PARIS — A Paris exhibition of French post-Impressionist painting, forced to close when the Grand Palais was declared unsafe, will reopen at the Musée d'Orsay next month, France's Culture Ministry said on Friday.

The 93-year-old Grand Palais, a landmark exhibition hall, was closed after experts said it rested on unstable foundations and its huge glass dome needed urgent repair work.

The ministry said the show "The Nabis" would reopen at the Orsay and would run from Jan. 11 to Feb. 13.

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NYSE

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect trades elsewhere. Via The Associated Press

11 Month High Low Stock Div Yld PE High Low Last Chg

11 Month High	Low	Stock	Div	Yld	PE	High	Low	Last	Chg
110.00	108.00	IBM	3.00	2.8	15.0	110.00	108.00	109.00	+1.00
100.00	98.00	Microsoft	0.00	0.0	20.0	100.00	98.00	99.00	+1.00
120.00	118.00	Apple	0.00	0.0	18.0	120.00	118.00	119.00	+1.00
150.00	145.00	Oracle	0.00	0.0	22.0	150.00	145.00	147.00	+2.00
180.00	175.00	Sun	0.00	0.0	25.0	180.00	175.00	177.00	+2.00
200.00	195.00	Lucent	0.00	0.0	28.0	200.00	195.00	197.00	+2.00
220.00	215.00	Motorola	0.00	0.0	30.0	220.00	215.00	217.00	+2.00
240.00	235.00	Intel	0.00	0.0	32.0	240.00	235.00	237.00	+2.00
260.00	255.00	Cisco	0.00	0.0	35.0	260.00	255.00	257.00	+2.00
280.00	275.00	3Com	0.00	0.0	38.0	280.00	275.00	277.00	+2.00
300.00	295.00	PerkinElmer	0.00	0.0	40.0	300.00	295.00	297.00	+2.00
320.00	315.00	Amgen	0.00	0.0	42.0	320.00	315.00	317.00	+2.00
340.00	335.00	Genentech	0.00	0.0	45.0	340.00	335.00	337.00	+2.00
360.00	355.00	Amgen	0.00	0.0	48.0	360.00	355.00	357.00	+2.00
380.00	375.00	Amgen	0.00	0.0	50.0	380.00	375.00	377.00	+2.00
400.00	395.00	Amgen	0.00	0.0	52.0	400.00	395.00	397.00	+2.00
420.00	415.00	Amgen	0.00	0.0	55.0	420.00	415.00	417.00	+2.00
440.00	435.00	Amgen	0.00	0.0	58.0	440.00	435.00	437.00	+2.00
460.00	455.00	Amgen	0.00	0.0	60.0	460.00	455.00	457.00	+2.00
480.00	475.00	Amgen	0.00	0.0	62.0	480.00	475.00	477.00	+2.00
500.00	495.00	Amgen	0.00	0.0	65.0	500.00	495.00	497.00	+2.00

Clint

By RUSSELL CLINTON
Clinton complains to Ruzine about never hit of credit in liberal press?

Surely he is a fish a little apologetic in spirit of all a middle-class philosophy of the plight of the kr or otherwise.

We are spiced hardened to a political label — invites the morose, the whose ideas ber hammers.

A person ridicule me likely to be praise when boon by the fool.

I speak for myself, though Lyndon Johnson was a Texas John soul of responsibility.

William York's Time respondeen politics as y described by "The lob in the ruler differ mu list force "Moderical phlo only by a right wher andrally to whome ideas "the kn hearts."

Gold night w bels thominio missal.

Euro

12 Month High Low Stock Div Yld PE High Low Last Chg

130.00 128.00 IBM 3.00 2.8 15.0 130.00 128.00 129.00 +1.00

110.00 108.00 Microsoft 0.00 0.0 20.0 110.00 108.00 109.00 +1.00

130.00 128.00 Apple 0.00 0.0 18.0 130.00 128.00 129.00 +1.00

160.00 155.00 Oracle 0.00 0.0 22.0 160.00 155.00 157.00 +2.00

190.00 185.00 Sun 0.00 0.0 25.0 190.00 185.00 187.00 +2.00

210.00 205.00 Lucent 0.00 0.0 28.0 210.00 205.00 207.00 +2.00

230.00 225.00 Motorola 0.00 0.0 30.0 230.00 225.00 227.00 +2.00

250.00 245.00 Intel 0.00 0.0 32.0 250.00 245.00 247.00 +2.00

270.00 265.00 Cisco 0.00 0.0 35.0 270.00 265.00 267.00 +2.00

290.00 285.00 3Com 0.00 0.0 38.0 290.00 285.00 287.00 +2.00

310.00 305.00 PerkinElmer 0.00 0.0 40.0 310.00 305.00 307.00 +2.00

330.00 325.00 Amgen 0.00 0.0 42.0 330.00 325.00 327.00 +2.00

350.00 345.00 Genentech 0.00 0.0 45.0 350.00 345.00 347.00 +2.00

370.00 365.00 Amgen 0.00 0.0 48.0 370.00 365.00 367.00 +2.00

390.00 385.00 Amgen 0.00 0.0 50.0 390.00 385.00 387.00 +2.00

410.00 405.00 Amgen 0.00 0.0 52.0 410.00 405.00 407.00 +2.00

430.00 425.00 Amgen 0.00 0.0 55.0 430.00 425.00 427.00 +2.00

450.00 445.00 Amgen 0.00 0.0 58.0 450.00 445.00 447.00 +2.00

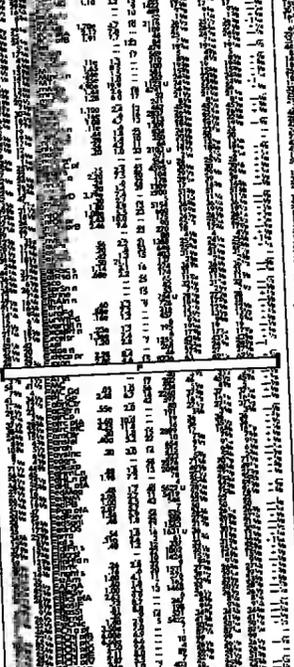
470.00 465.00 Amgen 0.00 0.0 60.0 470.00 465.00 467.00 +2.00

490.00 485.00 Amgen 0.00 0.0 62.0 490.00 485.00 487.00 +2.00

510.00 505.00 Amgen 0.00 0.0 65.0 510.00 505.00 507.00 +2.00

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12 Month High Low Stock Div Yld PE High Low Last Chg

12 Month High	Low	Stock	Div	Yld	PE	High	Low	Last	Chg
110.00	108.00	IBM	3.00	2.8	15.0	110.00	108.00	109.00	+1.00
100.00	98.00	Microsoft	0.00	0.0	20.0	100.00	98.00	99.00	+1.00
120.00	118.00	Apple	0.00	0.0	18.0	120.00	118.00	119.00	+1.00
150.00	145.00	Oracle	0.00	0.0	22.0	150.00	145.00	147.00	+2.00
180.00	175.00	Sun	0.00	0.0	25.0	180.00	175.00	177.00	+2.00
200.00	195.00	Lucent	0.00	0.0	28.0	200.00	195.00	197.00	+2.00
220.00	215.00	Motorola	0.00	0.0	30.0	220.00	215.00	217.00	+2.00
240.00	235.00	Intel	0.00	0.0	32.0	240.00	235.00	237.00	+2.00
260.00	255.00	Cisco	0.00	0.0	35.0	260.00	255.00	257.00	+2.00
280.00	275.00	3Com	0.00	0.0	38.0	280.00	275.00	277.00	+2.00
300.00	295.00	PerkinElmer	0.00	0.0	40.0	300.00	295.00	297.00	+2.00
320.00	315.00	Amgen	0.00	0.0	42.0	320.00	315.00	317.00	+2.00
340.00	335.00	Genentech	0.00	0.0	45.0	340.00	335.00	337.00	+2.00
360.00	355.00	Amgen	0.00	0.0	48.0	360.00	355.00	357.00	+2.00
380.00	375.00	Amgen	0.00	0.0	50.0	380.00	375.00	377.00	+2.00
400.00	395.00	Amgen	0.00	0.0	52.0	400.00	395.00	397.00	+2.00
420.00	415.00	Amgen	0.00	0.0	55.0	420.00	415.00	417.00	+2.00
440.00	435.00	Amgen	0.00	0.0	58.0	440.00	435.00	437.00	+2.00
460.00	455.00	Amgen	0.00	0.0	60.0	460.00	455.00	457.00	+2.00
480.00	475.00	Amgen	0.00	0.0	62.0	480.00	475.00	477.00	+2.00
500.00	495.00	Amgen	0.00	0.0	65.0	500.00	495.00	497.00	+2.00

13 Month High Low Stock Div Yld PE High Low Last Chg

13 Month High	Low	Stock	Div	Yld	PE	High	Low	Last	Chg
110.00	108.00	IBM	3.00	2.8	15.0	110.00	108.00	109.00	+1.00
100.00	98.00	Microsoft	0.00	0.0	20.0	100.00	98.00	99.00	+1.00
120.00	118.00	Apple	0.00	0.0	18.0	120.00	118.00	119.00	+1.00
150.00	145.00	Oracle	0.00	0.0	22.0	150.00	145.00	147.00	+2.00
180.00	175.00	Sun	0.00	0.0	25.0	180.00	175.00	177.00	+2.00
200.00	195.00	Lucent	0.00	0.0	28.0	200.00	195.00	197.00	+2.00
220.00	215.00	Motorola	0.00	0.0	30.0	220.00	215.00	217.00	+2.00
240.00	235.00	Intel	0.00	0.0	32.0	240.00	235.00	237.00	+2.00
260.00	255.00	Cisco	0.00	0.0	35.0	260.00	255.00	257.00	+2.00
280.00	275.00	3Com	0.00	0.0	38.0	280.00	275.00	277.00	+2.00
300.00	295.00	PerkinElmer	0.00	0.0	40.0	300.00	295.00	297.00	+2.00
320.00	315.00	Amgen	0.00	0.0	42.0	320.00	315.00	317.00	+2.00
340.00	335.00	Genentech	0.00	0.0	45.0	340.00	335.00	337.00	+2.00
360.00	355.00	Amgen	0.00	0.0	48.0	360.00	355.00	357.00	+2.00
380.00	375.00	Amgen	0.00	0.0	50.0	380.00	375.00	377.00	+2.00
400.00	395.00	Amgen	0.00	0.0	52.0	400.00	395.00	397.00	+2.00
420.00	415.00	Amgen	0.00	0.0	55.0	420.00	415.00	417.00	+2.00
440.00	435.00	Amgen	0.00	0.0	58.0	440.00	435.00	437.00	+2.00
460.00	455.00	Amgen	0.00	0.0	60.0	460.00	455.00	457.00	+2.00
480.00	475.00	Amgen	0.00	0.0	62.0	480.00	475.00	477.00	+2.00
500.00	495.00	Amgen	0.00	0.0	65.0	500.00	495.00	497.00	+2.00

14 Month High Low Stock Div Yld PE High Low Last Chg

14 Month High	Low	Stock	Div	Yld	PE	High	Low	Last	Chg
110.00	108.00	IBM	3.00	2.8	15.0	110.00	108.00	109.00	+1.00
100.00	98.00	Microsoft	0.00	0.0	20.0	100.00	98.00	99.00	+1.00
120.00	118.00	Apple	0.00	0.0	18.0	120.00	118.00	119.00	+1.00
150.00	145.00	Oracle	0.00	0.0	22.0	150.00	145.00	147.00	+2.00
180.00	175.00	Sun	0.00	0.0	25.0	180.00	175.00	177.00	+2.00
200.00	195.00	Lucent	0.00	0.0	28.0	200.00	195.00	197.00	+2.00
220.00	215.00	Motorola	0.00	0.0	30.0	220.00	215.00	217.00	+2.00
240.00	235.00	Intel	0.00	0.0	32.0	240.00	235.00	237.00	+2.00
260.00	255.00	Cisco	0.00	0.0	35.0	260.00	255.00	257.00	+2.00
280.00	275.00	3Com	0.00	0.0	38.0	280.00	275.00	277.00	+2.00
300.00	295.00	PerkinElmer	0.00	0.0	40.0	300.00	295.00	297.00	+2.00
320.00	315.00	Amgen	0.00	0.0	42.0	320.00	315.00	317.00	+2.00
340.00	335.00	Genentech	0.00	0.0	45.0	340.00	335.00	337.00	+2.00
360.00	355.00	Amgen	0.00	0.0	48.0	360.00	355.00	357.00	+2.00
380.00	375.00	Amgen	0.00	0.0	50.0	380.00	375.00	377.00	+2.00
400.00	395.00	Amgen	0.00	0.0	52.0	400.00	395.00	397.00	+2.00
420.00	415.00	Amgen	0.00	0.0	55.0	420.00	415.00	417.00	+2.00
440.00	435.00	Amgen	0.00	0.0	58.0	440.00	435.00	437.00	+2.00
460.00	455.00	Amgen	0.00	0.0	60.0	460.00	455.00	457.00	+2.00
480.00	475.00	Amgen	0.00	0.0	62.0	480.00	475.00	477.00	+2.00
500.00	495.00	Amgen	0.00	0.0	65.0	500.00	495.00	497.00	+2.00

15 Month High Low Stock Div Yld PE High Low Last Chg

15 Month High	Low	Stock	Div	Yld	PE	High	Low	Last	Chg
110.00	108.00	IBM	3.00	2.8	15.0	110.00	108.00	109.00	+1.00
100.00	98.00	Microsoft	0.00	0.0	20.0	100.00	98.00	99.00	+1.00
120.00	118.00	Apple	0.00	0.0	18.0	120.00	118.00	119.00	+1.00
150.00	145.00	Oracle	0.00	0.0	22.0	150.00	145.00	147.00	+2.00
180.00	175.00	Sun	0.00	0.0	25.0	180.00	175.00	177.00	+2.00
200.00	195.00	Lucent	0.00	0.0	28.0	200.00	195.00	197.00	+2.00
220.00	215.00	Motorola	0.00	0.0	30.0	220.00	215.00	217.00	+2.00
240.00	235.00	Intel	0.00	0.0	32.0	240.00	235.00	237.00	+2.00
260.00	255.00								

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THE TRIB INDEX: 108.10

International Herald Tribune World Stock Index, composed of internationally investible stocks from 25 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.

World Index: 12/3/93 close: 108.10, Previous: 107.27

Region	Approx. weighting	Close	Prev.	% change
Europe	37%	110.03	109.07	+0.8%
Asia	25%	115.06	114.26	+0.8%
Latin America	5%	112.42	111.11	+1.1%
Other	33%	117.59	116.77	+0.7%

For more information about the index, a booklet is available free of charge. Write to Trib Index, 181 Avenue Charles de Gaulle, 92251 Neuilly Cedex, France.

Hopes Fade for VW, GM Accord

By Brandon Mitchener
International Herald Tribune

FRANKFURT — Automotive rivals General Motors Corp. and Volkswagen AG have given up hope of reaching an out-of-court settlement on a civil suit involving associates of José Ignacio López de Arriortua, who defected from GM to become VW's purchasing manager in March, company sources said Friday.

Each side blamed the other for the failure of the talks, which had been initiated by the appeals court judge hearing the case. A preliminary ruling is expected Dec. 16 on GM's attempt to secure a temporary injunction against VW's employment of seven former GM employees. A lower court turned down GM's request in May.

Adam Opel AG, the big German manufacturing unit of GM, said the out-of-court talks failed because VW attempted to guarantee that no attempt would be made later to secure an injunction against the employment of Mr. López himself, an option GM wants to keep open.

But Joachim Cordshagen, a spokesman for VW in Wolfsburg, Germany, blamed GM for the setback. "We are still ready to sign a settlement," he said. "We think ready to sign before, too, but GM demanded new provisions," he said.

Talks faltered last week after the two companies missed several deadlines for an agreement, but GM and VW said that a compromise was still possible, that one seems improbable, but conceded.

Separately, U.S. Justice Department investigators visited the offices of a German prosecutor studying GM's claim that Mr. López and his associates stole corporate secrets.

GM's insistence on being able to block the employment of Mr. López at a later date is the result of its claim that his departure and alleged removal of corporate secrets caused GM financial damage.

For Sales, Service, See the Folks at China Auto City

By Kevin Murphy
International Herald Tribune

CHENGDU, China — The city's main streets can hardly cope with existing traffic and most of the highways in surrounding Sichuan Province are still only blueprints, but Southwest China Auto City is ready to roll.

Auto City will feature a 700-car and truck showroom, spare parts warehouses and distribution centers, a bonded area for imported autos and office space for many of the Sichuan-based manufacturers hoping to profit from the area's 400 million potential customers.

Auto City is also a very visible emblem of China's future intent to cautiously open its markets to foreign car imports.

Every aspect of car sales and service has been considered here, including a car lot and a hotel if repairs are lengthy.

"Sichuan is a transport hub for all of southwest China, and we're at the center of it," said Mao Shibian, managing director of Auto City. "We think China will join GATT and that means there will be great potential for imported cars, even if there are limits at first."

As part of its entry to the General Agreement on Tariffs and Trade China must open more of its markets to foreign products. While Beijing has foreshadowed continued protection for its auto manufacturers, many of whom operate outdated plants with excessive workforces, more leeway than currently exists is widely anticipated.

Auto City has been set up as a private sector company by shareholders that include several local companies, the investment arm of the China Industrial & Commercial Bank and two Sichuan automobile manufacturers.

The company, which has spent 77 million yuan (\$14 million) so far, and describes itself as an "enterprise group which brings forth new ideas, high efficiency and deals with concrete matters," hopes to establish an anchor for development of the entire industry.

Company officials predict

Renault and Volvo Sift Through the Wreckage

Ex-Chairman Sells His Stock

STOCKHOLM — Pehr Gyllenhammar, who resigned as chairman of Volvo following the dispute over the Renault merger plan, sold all his shares in the company on Friday.

Mr. Gyllenhammar, 58, said that his wife Christina had also sold her Volvo AB shares.

The Gyllenhammar family owned convertible warrants worth 180,000 kronor (\$21,350), along with just under 10,000 Volvo shares — together worth about 4.5 million kronor.

back the alliance in various ways." He added that Renault might have difficulty working with Volvo's managing director, Soren Gyll, who led the management revolt against the merger.

In Paris, where the proposed deal had been announced with fanfare three months ago, the mood was somber. "What happened yesterday is clearly a big disappointment for Renault," the chairman, Louis Schweitzer, said at a news conference at the state-owned company's headquarters.

Clearly piqued by Volvo's cold feet, he said Renault had not

learned that the deal was off before journalists did, at a news conference in Stockholm on Thursday.

France's center-right government, which had seen the deal as a chance to make huge savings for a company struggling in a fiercely competitive market, could also barely conceal its bitterness.

"This is a private sector company that has not been able to put its house in order," the industry minister, Gérard Longuet, said on French radio late Thursday.

But the government said that while it still believed in a common future for the two companies, Volvo's top brass should make their intentions clear.

"As for the French government, it continues to believe that the merger remains a good solution," the government said Friday. However, the opinions held by Volvo executives need to be clarified so that we know exactly where our partners want."

Mr. Schweitzer, in contrast to Mr. Gyll, said cooperation agreements forged between the carmakers three years ago and their cross-shareholdings were not in jeopardy.

Just how to proceed from here is a question that the two companies will tackle in the coming days. But for another attempt at a merger to have a chance of success, there would have to be a host of changes. "There would need to be lots of changes and new elements for this

For New Russian Entrepreneurs, No Fear of Risk

By Ann Imse
New York Times Service

MOSCOW — The courtyard at Roditi Moscow is bustling, as workers, renovating this 17th century nobleman's mansion into a corporate headquarter and wholesaling operation, ease their way around customers buying imported coffee by the case and suits by the rack.

Dmitri Nikitin, 37, the president of Roditi Moscow, one of the largest entrepreneurial companies founded in Russia since the legalization of private enterprise, shows off the colorful Italian cosmetics and sleek Braun appliances his company sells to retailers. He pauses frequently to issue orders — even to the construction crew.

Mr. Nikitin estimates that since President Boris N. Yeltsin repealed the Communist laws against private trading two years ago, 10 million people in Russia have become entrepreneurs.

In three years, Roditi Moscow has grown to 3,000 employees and branches in various locations in Russia involved in architectural restoration, commodity trading, trucking, aircraft chartering, wholesaling and scientific research.

Later this month, the company, which for security and financial reasons was formed in London, will open a department store in what had been the cavernous Arbat state restaurant.

"Our business is like a runaway train," said Svetlana Nikitina, 32, an accountant who must expand the company's financial operations to keep up with her husband's brainstorms.

For some of the new entrepreneurs, the first profit is "a flash in the gray monotony of their lives, and they want to use it immediately," he said. Others stash their windfalls in Western banks. "These are people who don't believe in the future," he added.

Mr. Nikitin looks at Russia's highly edu-

ECONOMIC SCENE

Why It's So Hard to Buy Software in Europe

By Mitchell Martin
International Herald Tribune

PARIS — It is a vicious circle: Software costs more in Europe than it does in America, keeping demand low and discouraging people from buying computers. Companies that sell computer programs are striving to narrow the gap, but there is a cultural and economic gulf between the continents that will likely keep European prices higher indefinitely while discouraging local development of programs, especially for home computers.

Analysts said Asia presents a different profile, and one that is hard to compare with the rest of the world. The Japanese market is hard to enter because of the country's complex distribution system. Additionally, many Japanese computer brands use proprietary operating systems that do not permit them to run generic programs based on the DOS, Windows or Macintosh systems popular in the United States and Europe. Software piracy in other Asian countries, meanwhile, has made distributors wary of those markets.

European prices generally run 15 percent to 20 percent higher than those in the United States. For example, a French-language version of Microsoft Corp.'s Excel 4.0 spreadsheet program for Macintosh computers was advertised this autumn by a mail-order house for 2,290 francs (\$399), before counting the 15 percent value-added tax that consumers must pay, compared with \$295 by an American mail-order house for the U.S. version. In Britain, Intel's Quicken 6.0 home-finance package for Windows was advertised at £40 (\$65) before 17.5 percent VAT, compared with \$39 in the United States.

There are several reasons for the price gap. At the retail level, the value-added tax

Tax, marketing and cultural differences make the products 15 to 30 percent more expensive than in America.

in Europe is a leading culprit, running as much as 10 percentage points above state sales taxes in America.

Then there is mail order, used extensively in the United States but not in Europe. Gregory Rice is managing director of Instant Access, a company that is using compact-disk technology to try to cut European prices. He said 75 percent of American software is sold through direct distributors, such as mail-order companies. The rest is sold through wholesalers, who mark up prices about 10 percent. In Europe, however, most programs are sold in stores and pass through one or two wholesalers along the way. "Software makers sell to distributors, who generally take a very high cut — up to 40 percent," Mr. Rice said.

Although this system is beginning to break down because of consumer resistance to high prices, it is not being widely supplanted by mail-order companies. Mr. Rice, whose company competes with such services, said this was because the American postal and overnight package systems were more efficient and less expensive than those available in Europe.

Sometimes, the software makers contribute to the discrepancies. Sharon Erdman, who works for the U.S. mail-order house Multiple Zones International Inc., said that Microsoft

discourages people in France, for example, from buying its U.S. version of the Word program. "Microsoft wants to sell the French version of Word to their French customers. Microsoft would not sell us the French version of Word," she said.

She said her company's French subsidiary would stock the higher-priced French version, for sale in France. Multiple Zones, unlike many of its U.S. competitors, has set up organizations in various countries, often as ventures with existing distributors. These smaller companies gain clout with software developers, while giving Multiple Zones a foot in the door of new markets.

James Heal, a computer-industry analyst at Hoare Govett in London, said that even in stores, Europe lags the United States. "There is a structural difference in how you sell software, especially if you are targeting the small user rather than medium-sized companies," he said. He cited American "super stores," large retail centers that provide a wide variety of programs. Sales help is minimal, avoiding what are called value-added resellers, who provide advice but at higher cost to buyers.

"This might actually change," Mr. Heal said. "There are a number of personal-computer-related superstores opening up in the U.K."

It is not only how programs are distributed that limits their reach. Europeans tend to use computers in different ways, according to Dean Ratcliffe, senior industry analyst at Dataquest Europe in Paris. "It's still very office-bound," said Mr. Ratcliffe. "Typically the two biggest uses are spreadsheets and word processors."

One factor keeping computers out of people's homes is the lack of software. See CHENGDU, Page 13

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Gross Rates									
	\$	DM	FF	£	Yen	Swiss	French	Italian	Spanish
Australia	1.48	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Canada	1.48	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Denmark	1.48	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Germany	1.48	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
France	1.48	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Italy	1.48	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Japan	1.48	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Spain	1.48	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Switzerland	1.48	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
UK	1.48	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75

Eurocurrency Deposits

Term	Dollar	D-Mark	Swiss	French	Italian	Yen	ECU
1 month	3.25	3.25	3.25	3.25	3.25	3.25	3.25
3 months	3.25	3.25	3.25	3.25	3.25	3.25	3.25
6 months	3.25	3.25	3.25	3.25	3.25	3.25	3.25
1 year	3.25	3.25	3.25	3.25	3.25	3.25	3.25

Key Money Rates

Country	Rate
USA	5.25
Germany	5.25
France	5.25
Italy	5.25
Japan	5.25
Spain	5.25
Switzerland	5.25
UK	5.25

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السؤال الثاني

THE PERFECT GIFT

THE ENDURING QUALITY OF PARIS GIFT OFFERINGS

On every Christmas gift list, there are always a few confounding blank spaces next to certain names. Those who can afford the very best have fewer problems finding just the right gift, of course — no one has ever been heard to complain about having too much gold or too many diamonds, and a well-made leather handbag, for instance, can serve for years. These are not baubles, but treasures that become beloved objects their owners never want to part with and that never go out of fashion. But even those with lesser means will find that gift-giving is no problem for Paris shoppers. The selection is so wide and the offerings of such high quality that there is sure to be something for everyone.

a face similar to Chopard's, with an elegant Art Deco-inspired gold bracelet, as well as a gold-faced watch with no hands that shows the hours and minutes in numerals and comes with a red crocodile band. Less expensive and more fun is Beuchat's spider-web watch, which comes complete with a tiny spider on the face.

Jewelry

Cartier is taking inspiration from the Indian rajahs with a simply shaped gold bracelet and earrings outlined in diamonds and inset with teardrop-shaped rubies and emeralds.

Coco Chanel may be known as the inventor of costume jewelry, but Chanel Joaillerie's new 18-karat yellow-gold necklace with cultured pearls and teardrop-shaped diamonds, emeralds, sapphires, rubies and onyx is anything but imitation.

Watches

Even those who normally sniff at symbols of conspicuous consumption tend to drool over the Patek Philippe watch. The latest men's edition features two gold links on either side of a Roman-numeral watch face. For women, the company has a new collection that takes inspiration from both classical Greek and Art Deco design.

For the man who wants to make a different kind of statement with his watch, Breitling has the Chronomat, its latest chronograph, designed with the help of airline pilots.

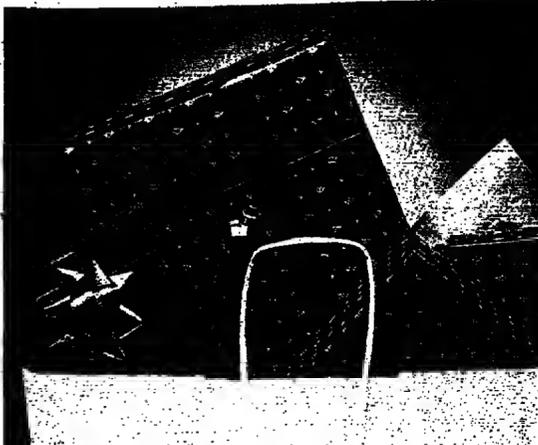
The venerable house of Chopard's new Casmir collection includes a simple, numberless watch face whose rich gold bracelet has paisley-shaped links, some of them encrusted with diamonds. Also available are matching bracelet, ring and necklace. Chaumet is showing a watch with

Van Cleef & Arpels opts for opulence with a necklace that begins with a double row of diamonds from which diamond-studded emeralds and large single diamonds dangle.

Wempe takes inspiration from Egypt with an 18-karat gold bracelet on which diamond-studded camels trek through a gold-and-diamond desert.

It looks edible, but it's not. François Héral's gold Caviar ring has a diamond set in a mass of realistic fish eggs.

Truly unusual gifts can be had at the boutique of the Musée de la Monnaie on Paris's Left Bank. Everything from jewelry made from reproductions of ancient coins to specially minted collectors' medallions are available. The latter include mementos from the opening of the Musée



Pretty wrapping is easy — the hard part is figuring out what to put inside.

d'Orsay; the launch of the TGV Atlantique, the French high-speed train; and even one commemorating the Central Bank of Kuwait.

The latest edition is "Treasures of the Louvre," a series of six coins honoring the opening of the Richelieu Wing of the Louvre. Naturally, one of them is devoted to the Mona Lisa (in gold or silver) with a representation of the Louvre's pyramid on the flip side. Other series, in bronze or silver, pay tribute to such themes as family life, literature, art, music, Paris and the monuments of France.

Accessories

Daniel Swarovski, famous for its fine crystal, now has its own line of fantasy jewelry and sumptuous accessories, including charming minaudières decorated with sparkling swirls or cascades of crystal. The Winter Garden line includes a black velvet evening bag embroidered with colorful crystal blossoms.

For those with a taste for discretion, elegance and top quality, Longchamp has a wide-ranging selection of handsome, classic handbags, wallets, belts, shoes, luggage, umbrellas and ties, many of them in bright primary colors.

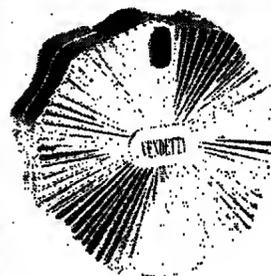
Can the beauty and luxury of a Hermès scarf ever be unwelcome? The latest addition to this venerable collection is an homage to the Venice Carnival, complete with masked revelers.

Louis Vuitton, another venerable

maker of luxury goods, has more to offer in fine leather than those brown handbags with the "LV" logo printed on them. Its Epi line, for instance, is a study in understated elegance and, as always, of the highest quality.

Montblanc, maker of what are probably the most coveted pens in the world, now has what may be the ultimate status symbol: a Montblanc yellow highlighter. At a rather more elevated price, there is the new Platine, mostly handmade of platinum and 18-karat gold.

Alfred Dunhill is celebrating its 100th birthday and is commemorating it with a Centenary watch. Also from its archives is the Captive, which was created in 1929 for a



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الاصحاح

MARKET DIARY

JBS: U.S. Economy Cranks Up

Continued from Page 1
Americans are managing to together a living by coping bit of credit... low growth and coping very liberal press... but they are still just coping.

Bloomberg Business News reported from New York
The yield on the benchmark 30-year Treasury bond rose as high as 6.30 percent before backing off to 6.25 percent.

The Dow

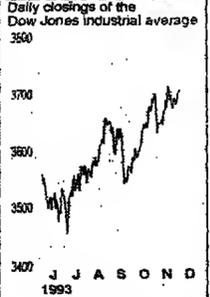


Table with columns: NYSE Most Active, Amex Most Active, NYSE Diary, NASDAQ Diary. Lists various stocks and their performance.

Dow Jones Averages

Table with columns: Index, High, Low, Close, Change. Lists various market indices and their values.

Standard & Poor's Indexes

Table with columns: Index, High, Low, Close, Change. Lists Standard & Poor's index components.

NYSE Most Active

Table with columns: Stock, High, Low, Close, Change. Lists top active stocks on the NYSE.

Amex Most Active

Table with columns: Stock, High, Low, Close, Change. Lists top active stocks on the Amex.

NYSE Diary

Table with columns: Stock, High, Low, Close, Change. Lists daily market activity on the NYSE.

NASDAQ Diary

Table with columns: Stock, High, Low, Close, Change. Lists daily market activity on the NASDAQ.

EUROPEAN FUTURES

Table with columns: Index, High, Low, Close, Change. Lists European futures contracts.

Metals

Table with columns: Metal, High, Low, Close, Change. Lists various metal futures prices.

Financial

Table with columns: Instrument, High, Low, Close, Change. Lists financial futures prices.

3-MONTH EURO DOLLARS (LIPF)

Table with columns: Rate, High, Low, Close, Change. Lists 3-month Euro dollar rates.

LONG DOLLAR (LIPF)

Table with columns: Rate, High, Low, Close, Change. Lists long dollar rates.

GERMAN GOVERNMENT BOND (LIPF)

Table with columns: Rate, High, Low, Close, Change. Lists German government bond rates.

Industrials

Table with columns: Index, High, Low, Close, Change. Lists industrial futures prices.

Stock Indexes

Table with columns: Index, High, Low, Close, Change. Lists various stock index futures.

Spot Commodities

Table with columns: Commodity, High, Low, Close, Change. Lists spot commodity prices.

Dividends

Table with columns: Company, Dividend, High, Low, Close, Change. Lists dividend-paying stocks.

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U.S./AT THE CLOSE

Sales of Autos Made in U.S. Surge

DETROIT (Bloomberg) — A 12.3 percent gain in U.S. sales of domestically made vehicles in the period between Nov. 21 to 30 helped automakers close out the month with the strongest car sales rate in more than three years.

National Medical Sells 80% of Clinics

SANTA MONICA, California (Reuters) — National Medical Enterprises Inc. said Friday it agreed to sell some of its rehabilitation clinics to Healthsouth Rehabilitation Corp. for \$300 million in cash plus the net book value of some inventory, receivables and prepayments.

Dow, Corning Dismissed From Suits

BIRMINGHAM, Alabama (AP) — A federal judge dismissed Dow Chemical Co. and Corning Inc. from more than 3,000 lawsuits filed by women with silicone breast implants, but left their jointed owned Dow Corning as a defendant.

Canada Drops Airport Privatization

OTTAWA (AFP) — Prime Minister Jean Chretien announced Friday the cancellation of a contract to privatize the nation's largest airport. The deal, to give a private consortium a lease of up to 57 years for the running of the two main terminals at Toronto's Pearson international, became a hot election issue.

Grace Co. Sues Insurers on Asbestos

BOCA RATON, Florida (Bloomberg) — W.R. Grace & Co. has sued a group of insurance companies to force them to pay \$200 million to help cover Grace's liability for asbestos-related claims.

Jones Intercable Sells BCE Stake

ENGLEWOOD, Colorado (AP) — Jones Intercable Inc. has agreed to sell a 30 percent stake to the Canadian telephone company BCE Inc. for \$400 million.

For the Record

Pan American Corp.'s name and trademark blue globe, one of the world's most recognized brands, was auctioned for \$1.325 million to a Maryland investment group.

Dollar Drops Sharply After Reaching a High

NEW YORK — The dollar ruled by a four-month high against the Deutsche mark on Friday but in the rule the day lower as a result of a market-taking and doubts about the near forecast of the U.S. recovery.

Dealers said the dollar's early gains also came under attack when European central banks sold into the unit's early rally to recoup reserves in marks.

Some of the European central banks have dollars to sell and marks to buy," said Peter Michaels, a trader with Fuji Bank. "It's not a lot, but it's enough to spook the market."

A Dresner Bank dealer said European central banks appeared to be selling dollars to rebuild further the mark's reserves that were lost during the crisis of the European Monetary System last summer.

Against other currencies, the dollar fell to 108.55 yen from 108.80 yen.

There is still a lot of doubt that can be sustained in the early of next year.

Some of the figures were not enough to suggest a tightening of rates by the Federal Reserve in the near term.

The early rally sputtered in part because traders had already purchased large amounts of dollars, betting the employment report would be strong, said Alfonso Algo, a trader at Sakura Bank.

Green Light for Caspian Oil

ALMA-ATA, Kazakhstan — Kazakh and seven Western companies agreed on Friday to explore for oil in the Caspian Sea, opening the door to what could be the biggest offshore production area since the North Sea came on stream.

The former Soviet republic, represented by the state oil company and project operator Kazakhstankazneft, formally established a consortium to tap a promising but unexplored petroleum reserve.

The agreement established a consortium involving British Gas PLC, Total SA, Royal Dutch/Shell Group, Agip SPA, Mobil Corp. and Petrobras SA.

WORLD STOCK MARKETS

Large table listing world stock markets with columns for Market, Close, Prev., Change, and Volume. Includes sections for Amsterdam, Helsinki, Hong Kong, Brussels, Johannesburg, Frankfurt, London, Milan, Singapore, Stockholm, Zurich, and Tokyo.

U.S. FUTURES

Large table listing U.S. futures markets with columns for Index, High, Low, Close, Change, and Volume. Includes sections for Grains, Metals, Industrials, Livestock, and Financial.

U.S. FUTURES

Large table listing U.S. futures markets with columns for Index, High, Low, Close, Change, and Volume. Includes sections for Grains, Metals, Industrials, Livestock, and Financial.

Jobs D... Order... In Ger... ASD... Various vertical text and advertisements on the right edge of the page.

Jobs Decline, Orders Improve In German West

Reuters
BONN — Western German unemployment surged again in November, according to figures released on Friday, but October industrial orders showed a stabilization that economists said could point to a slight recovery in 1994.

Seasonally adjusted unemployment rose to a new post-unification high in November of 2.49 million people. That compared with 2.46 million a month earlier, giving a new jobless rate of 7.8 percent, the Federal Labor Office said.

In contrast, the jobless total in Eastern Germany dropped to 1.15 million in November from 1.17 million a month earlier.

The Eastern German figures were encouraging but economists said they expected joblessness in Western Germany to continue rising well into next year.

The Economics Ministry said industrial orders slipped 0.3 percent in October from September. But it revised the September increase to 2.2 percent from 1.2 percent. Domestic orders fell 2.7 percent but foreign orders surged 4.3 percent.

"Orders are going in the right direction," said Glen Liddy, economist with Kiewit Benson Research in London. "The foreign orders show some German exporters still have the edge over the competition despite an uncompetitive currency."

"The figures back our expectations of an export-driven upswing next year," said Thorsten Neufeld of Deutsche Bank Research in Frankfurt.

French Rate Cut Lifts the Franc

Reuters
PARIS — France cut its leading interest rates by a quarter percentage point on Friday, lifting the franc to its former floor in the exchange-rate mechanism.

The move, which mirrored a quarter point cut by the Bundesbank in its securities repurchase rate Thursday, lowered France's intervention rate, which sets the floor for money market rates, to 6 percent.

The franc climbed to 3.4335 per Deutsche mark, its highest level since the virtual collapse of the European Community currency grid on Aug. 2. Currency dealers said the franc was likely to rise to its former ERM floor of 3.4305 to the mark as soon as next week.

Madrid Acts Against Job Security Measures Would Ease Layoffs and Transfers

Compiled by Our Staff From Dispatches
MADRID — Despite union threats to kick off the new year with a general strike, the Spanish government approved measures Friday that would radically overhaul a system of Franco-era job protection that many economists and business leaders blame for the country's staggering jobless rate.

"These laws are left over from a paternalistic state. With a rigid system like ours, you don't create jobs," said Juan Irujo, chief of research at the Institute for Economic Studies, a Madrid think tank.

The measures, some of which take effect automatically and some of which require legislative approval, aim to ease many of the rules that made layoffs, relocations and changes in job description costly and often impossible without union or employee consent.

Among other provisions, the government's package:

- Softens stiff rules on dismissals.
- Allows companies to raise the working day above the current nine hours.
- Allows employers to switch staff to different jobs for "organizational or technical reasons," or to transfer staff to other plants for "economic reasons."
- Authorizes businesses suffering severe losses to opt out of Spain's industry-wide collective bargaining accords.
- Creates a new apprenticeship contract for people less than 25 years old, to make

hiring young people cheaper for employers.

- Ends the national employment bureau's monopoly on job placement for those registered for unemployment.

Advocates of the new legislation say the system of job security was fine when Spain was a protected, low-wage economy, unexposed to the pressures of a global economy. Unions and strikes were banned during

"With a rigid system like ours, you don't create jobs."

Juan Irujo, chief of research, Institute for Economic Studies

Francisco Franco's 36-year rule, which ended with his death in 1975. But the dictator brought labor peace by assuring Spaniards lifelong jobs, with two extra payments each year, one for Christmas and another for summer vacations.

Nowadays, critics of the old system argue, such rigid employment laws make companies wary of taking on new employees, and foreign investors who saw Spain as an attractive place to set up shop are looking elsewhere.

"The Spanish labor market is obviously rigid and hardly adaptable to the actual circumstances that businesses and economic sectors

experience," Labor Minister José Antonio Griñán said after the cabinet met Friday.

That is something Spain, even more than other European Community countries, can ill afford. Since Spain's economy went into a tailspin last year, joblessness has hit almost 23 percent, double the EC average.

"You have two types of people: those with a permanent contract, and the others, mostly young people, who are shut out" by employers who don't want to hire under such conditions, said Mr. Irujo of the Institute for Economic Studies.

Labor leaders say this is nonsense.

"The spread of this European argument for limiting social rights and deregulation, with people who think the labor movement is something out of Jurassic Park, is producing a counter-reaction," said Antonio Gutiérrez, leader of the Workers Commissions, a union federation.

"People are not willing to resign themselves to the idea that European unity means going backwards" in social policy, he said.

"The general strike is the unions' last resort to force change on the government's economic policy," said José María Zufaur, a leader of the General Workers Union.

The labor reforms were approved shortly after the Bank of Spain cut its key money rate by a quarter point to 9 percent in a move which may help revive the flagging economy.

(A.P., Knight-Ridder, Reuters)

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
2100	3050	2300
2050	2900	2200
1950	2800	2100
1850	2700	2000
1750	2600	1900
1650	2500	1800
1550	2400	1700
1450	2300	1600
1350	2200	1500
1250	2100	1400
1150	2000	1300
1050	1900	1200
950	1800	1100
850	1700	1000
750	1600	900
650	1500	800
550	1400	700
450	1300	600
350	1200	500
250	1100	400
150	1000	300
50	900	200
0	800	100

Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	CBS Trend	139.00	138.30	+0.51
Brussels	Stock Index	7,206.57	7,174.23	+0.45
Frankfurt	DAX	2,120.61	2,110.53	+0.48
Frankfurt	FAZ	812.85	808.65	+0.52
Helsinki	HEX	1,543.49	1,551.79	-0.53
London	Financial Times 30	2,441.90	2,445.90	-0.15
London	FTSE 100	3,234.20	3,223.90	+0.32
Madrid	General Index	301.49	301.25	+0.08
Milan	MIB	1,211.00	1,210.00	+0.08
Paris	CAC 40	2,198.40	2,180.45	+1.29
Stockholm	Affarsvaerden	1,578.34	1,585.40	-0.57
Vienna	Stock Index	464.22	459.70	+0.98
Zurich	SBS	964.47	956.57	+0.83

Sources: Reuters, AFP International Herald Tribune

Very briefly:

- Marc Rich has formally reduced the number of shares he held in the raw materials company Marc Rich & Co., a company official said. The company had announced nine months ago that he would reduce his stake.
- Hungary has approved a draft bill that limits purchases of arable land by Hungarians and bans foreigners from buying farmland. The bill seeks to prevent widespread sales at a time of economic crisis for farmers.
- The Netherlands' trade surplus for the first half of 1993 doubled from a year earlier to 10 billion guilders (\$5.2 billion). The country posted a surplus of 23 billion guilders with European Community countries and a deficit of 13.9 billion with other countries.
- General Electric Capital Corp. agreed to acquire Mercantile, the consumer finance unit of Bank Austria Corp., for \$83 million, reflecting the GE unit's plan to increase its consumer-finance activities in Europe.
- Swissair said it is holding talks with Scandinavian Airlines System and Austrian Airlines AG on possible expanded links. The three airlines had long considered an alliance in conjunction with KLM Royal Dutch Airlines, but those talks recently ended without results.

EC Jobless = 3 Nations?

Reuters
BONN — Unemployment in the European Community will be equivalent to the total population of Belgium, Denmark and Ireland together, he said.

More than 17 million people are already out of work in the Community and the figure is forecast to top 20 million next year as economies shrink by 0.4 percent this year.

Mr. Williamson said economic growth would not pick up overnight but the commission believed it was possible to return to the strong growth rates of the late 1980s by the year 2000.

Reuters Said to Be Riled Over Globex

Bloomberg Business News
CHICAGO — Reuters Holdings PLC has demanded that the Chicago Board of Trade increase its commitment to Globex, the 24-hour electronic trading system, or leave the system in April, sources close to the negotiations said.

Reuters' ultimatum followed a meeting Monday in New York with Globex's owners, the Chicago Board of Trade and the Chicago Mercantile Exchange. Reuters

spent more than \$75 million developing Globex and leases the right to operate the system.

Officials at the mercantile exchange and Reuters declined to comment. Board of trade officials were not available for comment.

Globex, which allows traders to buy and sell futures and options contracts when the exchanges are closed, began operating in June 1992. The Chicago exchanges had

described the system at that time as the future of the industry.

Instead, it has become a source of friction between the two Chicago exchanges this year. The mercantile exchange has pushed for more aggressive marketing, while the board of trade has spread its efforts between Globex and Project A, another electronic trading system which it fully owns.

The board of trade originally

Ford's Europe Chief to Retire

Bloomberg Business News
DETROIT — William H. Fike, president of Ford of Europe, Inc., will retire at the end of this year and his position will be eliminated, the carmaker announced Friday.

There had been reports that Mr. Fike, 57, was being recalled to the United States because Ford's top management was unhappy with Ford of Europe's financial performance. The subsidiary had a loss of \$1.3 billion in 1992 and \$711 million in 1991.

The unit is expected to show a loss of about \$500 million for 1993, according to an estimate by David Healy, an analyst with S.G. Warburg & Co.

Ken Brown, a company spokesman, said that the decision to retire had been "Mr. Fike's choice."

Alex Trotman, who succeeded Harold Poling as chairman of Ford Motor Co. on Nov. 1, said that Ford's European operations would do substantially better in 1994.

MERGER: Renault, Volvo Sift the Wreckage to See What Can Be Saved

Continued from Page 9
 opportunity to arise again," Mr. Schweitzer said.

In the meantime, Renault may look for other cooperation links for its new and truck subsidiary, Renault Vehicules Industriels, he said.

With Volvo, Renault had aimed to create the world's biggest maker of trucks.

Mr. Schweitzer praised the French government for its efforts to seal the merger and, in a thinly veiled criticism of Volvo's shareholders and management, railed at

those who he said had turned the affair into what he called an "emotional and irrational" debate.

Mr. Schweitzer said Volvo's 20 percent stake in Renault would not hinder the French earmaker's transfer to private ownership.

Prime Minister Edouard Balladur, in a bid to allay Volvo executives' concerns about the merger, last month sent a letter to Stockholm promising that Renault would be privatized during the second half of next year.

The French state would have controlled 65 percent of a joint company, Renault-Volvo RVA, pending privatization of its stake, and anxiety about French domination was a constant theme in Volvo shareholder concern.

In Stockholm, Mr. Gyllenhammar made no secret of his contempt for the nationalist rhetoric of the debate in Sweden on the merger.

The Swedish government plans to take the country into the European Community in 1995 after a

Merger: Renault, Volvo Sift the Wreckage to See What Can Be Saved

NASDAQ

Friday's Prices
 NASDAQ listing as of 4:00 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Div	Yld	PE	100s	High	Low	Latest	Chg
100	90	1.00	4.00	22.5	100	100	90	100	0
110	100	1.10	4.50	24.4	110	110	100	110	0
120	110	1.20	5.00	26.7	120	120	110	120	0
130	120	1.30	5.50	29.1	130	130	120	130	0
140	130	1.40	6.00	31.4	140	140	130	140	0
150	140	1.50	6.50	33.8	150	150	140	150	0
160	150	1.60	7.00	36.3	160	160	150	160	0
170	160	1.70	7.50	38.8	170	170	160	170	0
180	170	1.80	8.00	41.1	180	180	170	180	0
190	180	1.90	8.50	43.7	190	190	180	190	0
200	190	2.00	9.00	46.0	200	200	190	200	0

12 Month High	Low	Div	Yld	PE	100s	High	Low	Latest	Chg
210	200	2.10	9.50	48.6	210	210	200	210	0
220	210	2.20	10.00	50.9	220	220	210	220	0
230	220	2.30	10.50	53.0	230	230	220	230	0
240	230	2.40	11.00	55.0	240	240	230	240	0
250	240	2.50	11.50	56.9	250	250	240	250	0
260	250	2.60	12.00	58.7	260	260	250	260	0
270	260	2.70	12.50	60.4	270	270	260	270	0
280	270	2.80	13.00	62.0	280	280	270	280	0
290	280	2.90	13.50	63.5	290	290	280	290	0
300	290	3.00	14.00	64.9	300	300	290	300	0

12 Month High	Low	Div	Yld	PE	100s	High	Low	Latest	Chg
310	300	3.10	14.50	66.1	310	310	300	310	0
320	310	3.20	15.00	67.3	320	320	310	320	0
330	320	3.30	15.50	68.5	330	330	320	330	0
340	330	3.40	16.00	69.7	340	340	330	340	0
350	340	3.50	16.50	70.8	350	350	340	350	0
360	350	3.60	17.00	71.9	360	360	350	360	0
370	360	3.70	17.50	73.0	370	370	360	370	0
380	370	3.80	18.00	74.0	380	380	370	380	0
390	380	3.90	18.50	75.0	390	390	380	390	0
400	390	4.00	19.00	76.0	400	400	390	400	0

12 Month High	Low	Div	Yld	PE	100s	High	Low	Latest	Chg
410	400	4.10	19.50	77.0	410	410	400	410	0
420	410	4.20	20.00	78.0	420	420	410	420	0
430	420	4.30	20.50	79.0	430	430	420	430	0
440	430	4.40	21.00	80.0	440	440	430	440	0
450	440	4.50	21.50	81.0	450	450	440	450	0
460	450	4.60	22.00	82.0	460	460	450	460	0
470	460	4.70	22.50	83.0	470	470	460	470	0
480	470	4.80	23.00	84.0	480	480	470	480	0
490	480	4.90	23.50	85.0	490	490	480	490	0
500	490	5.00	24.00	86.0	500	500	490	500	0

12 Month High	Low	Div	Yld	PE	100s	High	Low	Latest	Chg
510	500	5.10	24.50	87.0	510	510	500	510	0
520	510	5.20	25.00	88.0	520	520	510	520	0
530	520	5.30	25.50	89.0	530	530	520	530	0
540	530	5.40	26.00	90.0	540	540	530	540	0
550	540	5.50	26.50	91.0	550	550	540	550	0
560	550	5.60	27.00	92.0	560	560	550	560	0
570	560	5.70	27.50	93.0	570	570	560	570	0
580	570	5.80	28.00	94.0	580	580	570	580	0
590	580	5.90	28.50	95.0	590	590	580	590	0
600	590	6.00	29.00	96.0	600	600	590	600	0

12 Month High	Low	Div	Yld	PE	100s	High	Low	Latest	Chg
610	600	6.10	29.50	97.0	610	610	600	610	0
620	610	6.20	30.00	98.0	620	620	610	620	0
630	620	6.30	30.50	99.0	630	630	620	630	0
640	630	6.40	31.00	100.0	640	640	630	640	0
650	640	6.50	31.50	101.0	650	650	640	650	0
660	650	6.60	32.00	102.0	660	660	650	660	0
670	660	6.70	32.50	103.0	670	670	660	670	0
680	670	6.80	33.00	104.0	680	680	670	680	0
690	680	6.90	33.50	105.0	690	690	680	690	0
700	690	7.00	34.00	106.0	700	700	690	700	0

NYSE Friday's Closing

Tables include the nationwide prices on the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press (Continued)

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 1993, High, Low, Last, Open, Close. Includes entries like ABC INVESTMENT & SERVICES CO INC, ABN AMRO BANK, AIG AMER SEC TRUST.

Table with columns: 12 Month High, Low, Stock, Div, Yld, PE, 1993, High, Low, Last, Open, Close. Includes entries like AIG AMER SEC TRUST, AIG AMER SEC TRUST, AIG AMER SEC TRUST.

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ADVERTISMENT

INTERNATIONAL FUNDS

Dec. 3, 1993

Large table listing various international funds with columns for fund name, share price, and other details. Includes sections for 'Other Funds' and 'ADVERTISMENT'.

Vertical text on the left side of the advertisement section, possibly related to the fund listings.

Japan appears to turn...

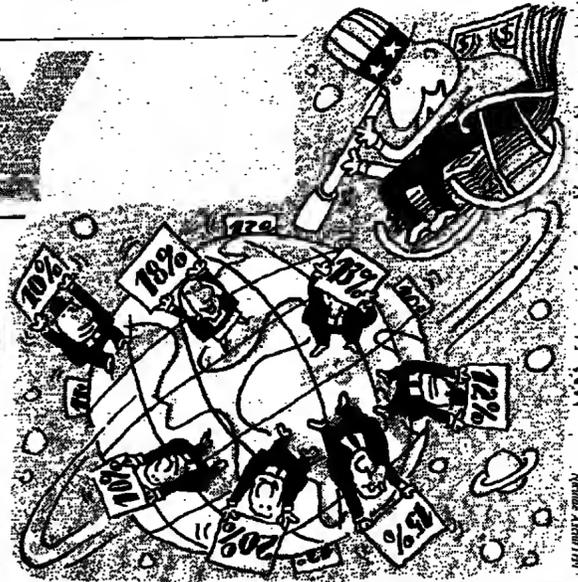
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THE MONEY REPORT



FIRST COLUMN

Bottom Line Of Saving: Beat Inflation

THINK of shortages, inadequacies, insufficiencies. Think of systems in crisis, systems that creak and finally break under intolerable strain. The images conjured up are perhaps those of hunger and suffering in Africa, or the Balkans. Or again, maybe the bitter death throes of Communism in Eastern Europe.

Think again. The affluent world of investing is facing its greatest-ever long-term crisis. The question is simple enough: Will the next generation of workers be able to pay for the support of tomorrow's retirees?

The answer, as so often the case with simple questions, is complicated. Demographics seem to suggest that the weight of onus is against satisfactory pension provision, as the majority of developed countries find themselves with a top-heavy age curve. But that analysis is perhaps too simple. The argument about the number of people required to work (and, by implication to produce wealth) in a given society is endless. However, if you approach the argument that there is a shortage of wealth producers by looking at labor statistics you quickly form different conclusions.

Put at its very crux, the existence of substantial pools of unemployed people in developed countries favors the idea that there are enough wealth producers around already. That, of course, is only half of the equation: While it can be persuasively argued that aging societies will continue to have an adequate work force, there is one escaping the fact that there will be more pensioners to provide for.

Which is where the investment managers are supposed to come in and prove their worth.

Pensions centered on a particular country are supposed to be treated as deferred pay: You get a tax break and some help with long-term saving. The tax breaks usually help the investment performance.

For the international, expatriate investor who deals with more than one tax regime, things are different. Retirement investing here is best seen as a smart form of saving. The ultimate objective is to beat the rate of inflation in whichever country you live in. To do that over the long term is the essence of good personal investing.

M.B.

U.S. Pension Plans Buy Overseas

By Conrad de Aenlle

OVERSEAS investment by American pension plans was virtually unheard of a few years ago, but it is growing substantially, in line with—if slightly behind—the trend among other institutional money managers. Nevertheless, foreign holdings still make up only a small fraction of total assets. They may finally have packed their bags, but they're still traveling light.

Estimates of pension assets invested overseas vary considerably. One good accounting comes in a survey of the 148 members of the Financial Executives Institute, an organization of corporate financial officers. Foreign holdings of their defined-benefit plans totaled 11.9 percent of the \$600 billion-plus they owned at the end of last year. Two years earlier, the figure was 9.2 percent. In both years, just over 80 percent of their foreign assets were in equities.

InterSec Research, which tracks trends in the pension industry, puts total funds invested outside the United States at \$188 billion, as of June 30. Of the \$103 billion of that in actively managed foreign equity funds, or those not run to match the performance of a stock index, about three-fourths is run by managers with a broad mandate that lets them choose practically any foreign market in which they find suitable investments. Among those managers with more specific mandates, emerging markets, the Pacific Basin and Europe each get 6 or 7 percent of foreign assets.

David Salishury, chief executive of Schroder Capital Management International in London, which manages \$5 billion for North American pension funds, is more conservative in his estimates. He puts the average foreign holding at 4 percent of assets, with a range from zero to 15 or 20 percent. While the total is low, he said, it is expanding.

"There was virtually no investment until the late 1970s; now U.S. pension funds have \$150 billion to \$200 billion invested in international markets," he said. "Whereas 10 years ago, U.S. pension funds had to be persuaded of the arguments for international investing, today the combination of the broader opportunity to capture world growth on the one hand, and the ability to diversify a portfolio away from the U.S. on the other, make it almost a fundamental given that they will invest a portion of their portfolios outside the United States."

This has been the case in spite of the relatively poor performance of many foreign markets, Mr. Salishury said: "If you look at returns during the five years to the end of

1992, the U.S. substantially outperformed international markets. Despite that, in 1993 we've seen strong growth and a substantial amount of new money being invested internationally by both institutional and retail investors in the States."

What has prodded pension funds to take the leap, said Dallas Salisbury, president of the Employee Benefit Research Institute, is "a recognition of a global economy in which global diversification is the best long-term strategy; when we read about moving into the century of Asia after 50 years of American leadership, if you've got growth outside the U.S., you want to take advantage of it."

One reason U.S. plans remained almost untouched for so long by the wider investment universe in which they live is that their own chunk of that universe is the largest chunk out there. American companies make up about a third of the world's total stock market capitalization, so there is a lot to choose from. Also, so many domestic companies do much of their business abroad; when funds buy their shares, they are taking on overseas exposure.

"Most American pension funds view themselves as global investors by investing in U.S. companies," he said. "Many have the bulk of their business overseas. If I buy McDonald's, I have invested globally. If you look at it from that perspective, you could argue that a majority of U.S. pension assets are invested in such a way that the global economy is going to determine success or failure."

He concedes, though, that in the conventional way of looking at things, foreign holdings remain small. "Even among those companies that are going global, dollars invested outside are still small dollars relative to the sizes of the plans."

What has held them back are government regulations and the constraints of political correctness.

"There are still political pressures in the U.S. against unions and pension plans investing aggressively overseas," Dallas Salisbury said. But he observed that "that pressure, which in the 1980s kept most plans from investing overseas, has abated."

State and federal laws regulating the administration of pension plans can be particularly formidable obstacles to foreign investing. The principal set of rules for private pension plans, known by the acronym ERISA, requires plan sponsors to exercise prudence and monitor performance. That seems simple enough, but it's difficult to accomplish, in the eyes of the law, when the investments are in another country.

"A fiduciary may encounter a number of practical problems in trying to satisfy its duty to monitor foreign asset investment

Retirement Investing	
Page 15	Dealing with an aging world: Caledonian cleverness.
Page 16	The need for dedicated pension products: unitized and with-profit fund performances.
Page 17	The consumer's choice: Germany, Hong Kong and the United States compared.

performance and control foreign asset investment selections," an article that ran earlier this year in the Journal of Taxation of Employee Benefits commented. "For example, unlike U.S. investments, foreign investments generally are not subject to comprehensive disclosure requirements and regulatory standards."

The article goes on to say that because it can be harder to find out just what foreign companies do for a living, owning shares in them is more likely to present conflicts with ERISA, the Employee Retirement Income Security Act.

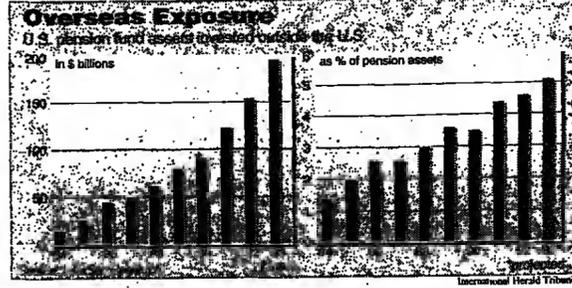
Pensions are not the only retirement plans available to American workers. Employee-stock-ownership plans, or ESOPs, and defined-contribution programs, such as the 401(k), make up an ever larger piece of retirement assets. In both, there is less likelihood of foreign investment than in traditional defined-benefit plans.

In an ESOP, employees are credited with shares of the employer's stock. In a 401(k), they get a tax break for regularly putting aside money in one of a handful of investment choices, often funds, and get a matching contribution from the employer, too.

"My guess would be that defined-benefit plans would be more likely to try international investing," Judy Anderson, of the Society of Actuaries, said. "Under defined-contribution plans, you'd like to offer more secure investments because the employee is at risk; under defined-benefit plans, the company is at risk. When the employer is at risk, he can take a chance for a greater return because it's all invisible to the employees."

People who follow the U.S. pension industry say more and more plans are going to take that chance.

"This is definitely going to be a trend," predicted Jim Kaitz, vice president for government relations at the Financial Executives Institute. "There's no question that, barring any restrictions from Congress or the administration, which we would oppose, you're going to see these numbers increase."



Magnet of Emerging Markets

INSTITUTIONAL investors are plowing money into emerging markets at such a pace that investment in these markets accounts for 13 percent of the assets in their international portfolios, a six-fold increase in four years, according to a survey of managers of retail funds and pension plans.

The survey of more than 40 fund managers in North America, Europe and Japan, conducted by Kleinman International Consultants, found that the average allocation of new money to emerging markets this year had increased 75 percent from a year earlier. Aside from their belief that the markets offer good investment opportunities, the managers cited strong interest by clients to explain their own heightened interest.

Despite the lingering affection for emerging markets in general, investment in the regions that in the past have held the greatest appeal is showing signs of cooling off. Latin America held 31 percent of the funds' emerging market assets, down from 39 percent last year, while the Pacific Rim took 50 percent of the money. That's up a bit from 49 percent in 1992, but much less than the 68 percent share of assets they registered in 1990.

It's not so much that managers have soured on those areas as that they are sprinkling their money around more markets. Southern and Eastern Europe attracted 10 percent of assets this year, compared with 6 percent in 1992. The biggest rise—in percentage terms, anyway—was seen in the markets of the Middle East and Africa. These now hold 4 percent of emerging market assets, up from just 0.5 percent.

— CONRAD DE AENLLE

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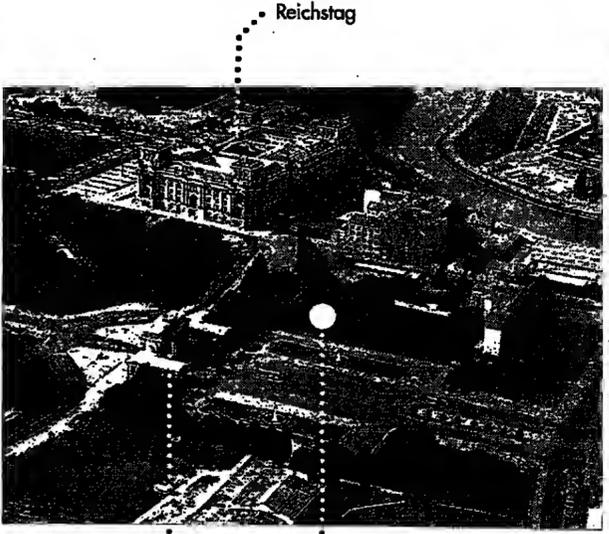
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THE MONEY REPORT

With-Profit, Unit-Linked Offer Choice of Styles

By David Hunt

THE pensions market in the United Kingdom is probably the most highly developed anywhere in Europe. Aided by generous tax incentives and a government eager to encourage private provision to reduce its own spending...

Investments between funds or to switch, often with no charge, from one to another. John Hay, business development manager at Scottish Provident, illustrates the difference by comparing the investment split of the average with-profit fund with that of his own unit-linked managed fund.

to the more cautious investor, he points to the "soft-landing option" that an increasing number of companies are introducing on the unit-linked side.

Described by Mr. Phillips as being "like a smoothed managed fund" it combines the flexibility of unit-linking with some of the guarantees of the with-profit contract.

to the unitized with-profit contract, a guaranteed bonus of around 3 or 4 percent is usually offered, which is then topped up each year by bonus units.



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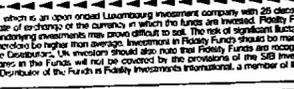
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The Fidelity Funds Emerging Markets Fund is part of Fidelity Funds (SICAV), which is an open ended Luxembourg investment company with 26 classes of shares...

Top Past Performances

Table showing performance metrics for various funds across different categories like 15 yr term, 10 yr term, and 5 yr term. Includes columns for Company, 15 yr term, and 10 yr term.

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Pension Planning: Can You Go It Alone?

By Aline Sullivan

AS job markets throughout the developed world grow ever more volatile, the market for independent pension products is growing fast. But the performance of these pension plans frequently fails to live up to the sales pitch, tax planners warn.

always a bad decision because they are not getting the benefit of company contributions. John Battersby, head of personal financial services at accountants KPMG Peat Marwick in London, agreed that people are better off staying with their company pension plan even if they are likely to change jobs in a few years.

only 0.3 percent of the sum insured and reflect the low rate so far of company failures in Germany. But actuaries warn that the whole basis of the German system is confidence in the health of its companies.

cause the limits are usually smaller than on company pensions. Another big drawback to many private pension products is their high commission charges, often obscured by aggressive sales pitches.

BRIEFCASE

How a Wild Spending Spree Can Help You Afford a Car

A U.S. credit card perk which foots part of the bill for a new car will soon be available in Britain. Starting Jan. 1, General Motors, Visa and MasterCard will issue a joint card that allows users to apply rebates on purchases toward the purchase of a GM auto.

Mercury Asset Management Offers a Base Metals Fund

Mercury Asset Management is launching a closed-end fund specializing in base metals and the shares of companies that produce them. Unlike many funds, which are introduced after the target market has made a spectacular run - all the better to attract shareholders' money - this one is being offered to the public after a long depression

Mercury bills its World Mining Trust as the only London-listed closed-end fund or investment trust that trades in the mining and metals industry worldwide.

Mercury bills its World Mining Trust as the only London-listed closed-end fund or investment trust that trades in the mining and metals industry worldwide. The company said the initial offering had far exceeded the £50 million (\$75 million) that it had expected to raise.

Mercury Asset Management Offers a Base Metals Fund

Mercury Asset Management is launching a closed-end fund specializing in base metals and the shares of companies that produce them. Unlike many funds, which are introduced after the target market has made a spectacular run - all the better to attract shareholders' money - this one is being offered to the public after a long depression

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THE MONEY REPORT

Asians Display New Interest in Pensions

By Kavita Daswani

WIDESPREAD social and cultural changes in Asia in the past decade have resulted in Asian executives showing new interest in pension plans...

Chinese rule — has precipitated heightened interest among senior business people in moving their assets overseas...

continue to escalate in thriving centers like Hong Kong and investments almost invariably beat the inflation rate...

When they reach the age of 30," said Miles Standish of financial advisers Towry Law in Hong Kong...

Germans Pick Insurance

By Ann Brocklehurst

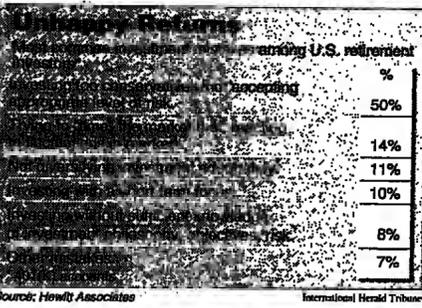
GERMANY'S low birth rate, its worst postwar recession, and the financial and social costs of unification are causing Germans to worry more about investing for their retirement...

Their favorite solution is the "mixed" life insurance policy with payout either upon death or retirement...

A Focus on New Investment Strategies

By Michael D. McNickle

SQUIRRELING away money for retirement is a given. But how much, and what type will leave an investor comfortable decades from now?



Hewitt Associates also notes that of the 3.3 million Americans covered under 401(k) plans, worth a total of \$90 billion, fewer people than expected rolled over their plans into IRAs...

These factors, experts say, make it increasingly important for investors to pay more attention to the types of investment in their individual Retirement Accounts and 401(k) plans...

foreign shares and the rest in bonds (based on average performance) would be worth more than \$1.5 million today...

really have very little return on their money. As opposed to an equity investment, where the stock market follows historical patterns over the long term...

Another thing to watch is the amount of employer company stock that finds its way into a 401(k). Many employers routinely contribute shares of the company into retirement plans...

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Chinese Women Win More Gold At Asian Games

The Associated Press
MANILA — Wang Junxia, who set world records in the women's 3,000 meters and 10,000 in September, won the 10,000 on Friday for China's sixth gold medal in nine events in the 10th Asian Track and Field Championships.
 Ibrahim Ismail of Qatar won the men's 400 meters in meet record time and Japan captured its first gold after four days of competition. Wang finished in 34 minutes, 19.32 seconds, nearly five minutes

2 Swimmers Set Records Twice At World Meet

The Associated Press
PALMA DE MALLORCA, Spain — Dai Guohong and Le Jinyi each broke world records twice on Friday — first in the preliminary heat and later in the final — to continue the Chinese women's domination of the World Short Course Swimming Championship.
 Another world record was set by Angel Martino in the 100-meter backstroke, her 58.50 seconds topping the old mark of 59.89.
 Chinese women have set five world records and have won six of eight gold medals in two days.
 Dai set a record of 2:32.89 in the preliminary heat of the 200-meter breaststroke, then lowered the mark to 2:21.99 in the final.
 Le set a mark of 24.23 in the 50-meter freestyle final, topping a time of 24.62 set by the American in the preliminary heat to break the 24.75 record of Germany's Franziska van Almsick.



Rabia Abdul Salam of Malaysia was helped by a teammate and officials Friday when she collapsed after the 400 meters at the Asian Games in Manila. She finished second, behind China's Ma Yuqin.

Xiaoqian of China won the bronze with 37.44 meters.
 The previous record of 61.64 meters was set by Tang Guo Li of China in Tokyo in 1981.
 Yan Wei of China won the women's 1,500 meters in 4:17.78 minutes. Yosuka Ichikawa of Japan took the silver in 4:19.66 and Molly Chako of India, who ran barefoot, won the bronze in 4:20.98.
 Qu Yunxia of China, the world record holder in the 1,500 meters, did not compete in the event. She won the 3,000 meters Thursday.

Phils Deal Williams to Astros, Martinez Is Signed by Indians

Compiled by Our Staff From Dispatches
 Less than two months after giving up only the second home run to end a World Series, Mitch Williams was rescued from a Philadelphia purgatory when he was traded by the Phillies to the Houston Astros.
 Williams, who probably would have had to endure daily reminders of his devastating World Series failures with the Phillies, was traded to the Astros for their closing relief pitcher, Doug Jones, plus a young pitcher, Jeff Juden.
 The Cleveland Indians, spending big as they prepare to move into their new stadium, signed pitcher Dennis Martinez and first baseman-designated hitter Eddie Murray.
 The Indians, who in the previous 10 days had lost out in their pursuit of free-agent pitchers Mark Percival and Sid Fernandez, reached agreement with Martinez, 38, on a two-year, \$9 million contract. They signed the 37-year-old Murray, the Mets' top run-producer the last two seasons, to a one-year contract with a \$3 million salary.
 Baltimore, meanwhile, re-signed two of its players who became free agents. Designated hitter Harold Baines was given a \$1.8 million, one-year contract, a \$700,000 raise, and utilityman Tim Lincecum got \$550,000 for one year, a raise of \$110,000. Hulet's deal calls for a \$50,000 signing bonus and a \$500,000 salary.
 The Florida Marlins re-signed pitcher Charlie Hough, who will be 46 next season, for about \$1 million.
 Williams, a 29-year-old left-hander, received death threats during the postseason and his house in New Jersey was vandalized after he waded a 14-10 eighth-inning Phillies lead over the Toronto Blue Jays in Game 4. In Game 6, he failed to hold a 6-5 ninth-inning lead, allowing Joe Carter's three-run homer that gave the game, and the series, to the Jays.
 "I'm happy about it," Williams said at his ranch in Hico, Texas. "I wanted to play in Texas a long time and now, finally I get the chance."
 Williams was 3-7 with a 3.34 ERA and 43 saves during the season, but blew four of seven chances in the postseason. Some thought Phillies fans would have taunted him if he returned to Philadelphia.
 Cleveland signed Murray and Martinez thinking it can contend for a playoff spot in the expanded postseason next year.
 Murray hit .285 last season for the Mets with 27 homers and 100 RBIs. He has driven in 75 runs or more in 17 consecutive seasons, the second-longest streak of that type behind Hank Aaron's 19 seasons.
 Martinez, 38, was 15-9 with a 3.85 ERA for the Montreal Expos. He is 208-165 in 16 seasons and is one of only seven pitchers to win 100 games each in the American and National leagues. (NYT, AP)

Price Storms to 7-Shot Sun City Lead

The Associated Press
SUN CITY, South Africa — Nick Price of Zimbabwe hit six birdies in a six-under-par 66 to take a commanding lead Friday after the second round of the Million Dollar Challenge golf tournament.
 Nick Faldo, the world's top-ranked player, who had shared the lead with Price after the first round, shot 73 to fall to second place at four-under 140 to Price's 11-under 133.
 Price, who won four U.S. tournaments this year, is looking to avenge his traditional bad luck at the Million Dollar Challenge, which offers a \$1 million first prize, the richest in golf.
 Last year, Price shared the third-round lead but was disqualified in a controversial call. He was forced to pull out of the tournament twice before, once with appendicitis and once with a broken thumb.
 "I wanted so badly to bring my best form to this course, because previously I have never really fired on all cylinders here," Price said.
 Price's 11-under halfway total equaled the tournament record set in 1989.
 Faldo, paired with Price, started the day with a seven-meter (76-yard) birdie putt on the first green. Price answered with his own on the second, 8th and 10th.
 A spectacular 15-meter putt on the 11th gave Price his fourth of the day, followed by two shots on the 13th and 15th.
 Faldo, who also was disqualified last year, said he had trapped himself in a number of tricky putts.
 "All I can do now is try and keep chipping away and see what happens," he said.
 David Frost of South Africa, the defending champion, improved one shot from Thursday with a two-under 70 and stood at 141, along with Bernhard Langer of Germany, Corey Pavin of the United States, and Mark McNulty of Zimbabwe.
 Fulton Allen of South Africa finished the day at two-under 142. His counterpart Ernie Els fired 69, but after his opening day finish, he shared fifth place at 145 with Mack O'Meara of the United States.

A Rarity for a Bears vs. Packers Matchup: Both Teams Have Winning Records

New York Times Service
PACKERS (7-4) at BEARS (6-5): KEY STAT: Packers beat Bears 17-3 in Week 9. Bears lead NFC in pass defense (161.6 yards allowed per game). **COMMENT:** This is the first time in 30 years that these teams meet with winning records in the second half of the season. That is more a statement on the Packers resurgence than the Bears, but Chicago deserves tremendous credit for victories at San Diego, at Kansas City and at Detroit after losing three straight. No team has scored more than 19 points on Chicago in its last 10 games and four have scored 13 or fewer points. The Bears have 39 sacks, second-most in the league. It is a remarkable achievement for coach Dave Wannstedt and the Bears defense and it is a trend that continues. Oddsmakers have made the Bears 1 1/2-point favorites.
COLTS (3-8) at JETS (7-4): KEY STAT: Colts receiver Jesse Hester has started 56 straight games; Jets offensive line has allowed league-low 12 sacks. **COMMENT:** The Jets can win their sixth straight game for the first time in seven years and the Colts won't put up much fight. They have been hurt by big injuries, none bigger than the loss of Steve Emtman, but enough key players remain that the Colts should have more than three victories. Jets by 11.
PATRIOTS (1-10) at STEELERS (6-5): KEY STAT: Patriots have seven losses by six or fewer points; Steelers have won 12 straight at home vs. AFC. **COMMENT:** After dominating losses at Denver and at Houston after

tackles and 10 or more in every game. **COMMENT:** Washington, hurt by injuries all season, has now lost rookie cornerback Tom Carter and looks like a team that will struggle to win another game. The Buccaneers looked sharp vs. Minnesota and played well at Green Bay. They are an improving team on both sides of the ball and especially at quarterback, where Craig Erickson has 13 touchdown passes. Buccaneers by 15.
FALCONS (5-6) at OILERS (7-4): KEY STAT: Saints Bobby Hebert has 17 TD passes, three short of his career high; Oilers can win seventh straight for first time since 1962. **COMMENT:** "You have a quarterback who is tough, who runs the ball well and has a quick release. It helps any line." The Falcons Mike Kenn said that after Hebert led Atlanta past Cleveland; it was a round-about way to injured Chris Miller, who had been criticized by teammates for his lack of toughness. The Oilers are finally playing that way, with grit and aggressiveness on both sides of the ball. Oilers by 8.
SAINTS (7-4) at BROWNS (5-6): KEY STAT: Saints Morten Anderson has four game-winning field goals in '93; Browns have converted league-best seven of nine fourth downs (77.8 percent). **COMMENT:** Vinny Testaverde returns at quarterback for Cleveland but it is likely to be late to make a difference in the Browns season. The Saints are scratching their way into the playoff picture and rookie back Derek Brown is a reason why. He ranks third among all rookie backs with 596 rushing yards and has helped New Orleans average 4.7 yards per rush, best in the league along with San Francisco. Saints by 5.
BRONCOS (7-4) at CHARGERS (5-6): KEY STAT:

Broncos beat Chargers 34-17 in Week 2; Chargers scored team-high 31 points in win at Indianapolis. **COMMENT:** With Stan Humphries back and healthy at quarterback, the Chargers believe they can make another late-season run and if not win the division then certainly make the playoffs with a 10-6 record. Beating the Broncos is a big step, especially since Denver plays host to Kansas City next. Humphries is key but the San Diego defense is the critical element. It must contain John Elway and Denver's speedy receivers and stout and swift tight end, Shannon Sharpe. For another week, the Chargers keep their hopes alive. Chargers by 1.
CHIEFS (8-3) at SEAHAWKS (5-6): KEY STAT: Chiefs have won 16 of last 20 divisional games; Seahawks safety Eugene Robinson has seven interceptions. **COMMENT:** Kansas City limited Buffalo to 43 rushing yards and got back on track defensively. Seattle back Chris Warren presents another challenge but not one the Chiefs can't handle. And the Chiefs' offensive line is jelling, providing ample passing time for Joe Montana and easy running lanes for Marcus Allen. Chiefs by 7.
RAMS (3-8) at CARDINALS (3-8): KEY STAT: Rams' Jerome Bettis leads rookie backs with 776 rushing yards; Cardinals have seven losses by seven or fewer points. **COMMENT:** The Rams are rebuilding and the Cardinals thought they had rebuilt, especially when they were active in the free agent market and got Gary Clark and Steve Beaulieu. No go. Coach Joe Bugel likely won't return and the best he can do is a .500, 8-8 season. For a week, the Cardinals gain a reprieve. Cardinals by 7.

These National Football League matchups were written by Thomas George of The New York Times. Odds were provided by Harrah's.

DENNIS THE MENACE

"DO YOU BELIEVE IN YOURSELF?"

PEANUTS

GET READY, MARCIE. HERE COMES THE KICKOFF.
 I'M READY, SIR... RESEARCH SHOWS THAT IF A GIRL DOES NOT PARTICIPATE IN SPORTS BY THE TIME SHE'S TEN, SHE PROBABLY WON'T WHEN SHE'S THIRTY-FIVE...
 BONK!
 YOU'LL NEVER BE THIRTY-FIVE, MARCIE...

CALVIN AND HOBBES

THIS WORKSHOP WAS GOING TO GIVE ME A "D" ON MY PAPER, BUT I TALKED TO HER AFTER CLASS AND TOLD HER HOW I WAS OUT OF TIME AND COULDN'T WRITE ALL I WENT ABOUT THIRTYFOUR.
 SHE SAID I'D HAD PLENTY OF TIME TO DO THE ASSIGNMENT, BUT SHE ADMITTED THAT WERE I'D PICKED TOO COMPLEX A SUBJECT.
 SO SHE RAISED MY GRADE TO A "D" AND TOLD ME I SHOULD TRY TO PICK REALISTIC GOALS AND PLAN MY TIME BETTER.
 I GUESS WE LEARNED A LESSON, WHY?
 I'LL SAY. SPOON-TAKING THE TEACHER'S REPLY PAYS OFF.

JUMBLE

Unscramble these four words. Jumble can help to solve puzzles, to find out answers, to find out what the words are.

PROAV
 TABBE
 QUETEA
 EVIDID

Answer them: _____

BLONDIE

THE NEW TECHNOLOGY HAS ME BAFLED.
 THESE BUTTONS LET YOU OR LONG PLAY...
 AND THESE BUTTONS ARE THE EQUALIZERS. WHICH BUTTON DO YOU WANT?
 THE "ON" BUTTON.

WIZARD of ID

TURN ME INTO SOMETHING THAT I MAY DRIVE MEN CRAZY!
 I'LL GET YOU FOR THIS! OK!!!

BEEBLE BAILEY

ZERO, I'M SICK OF EXPLAINING THINGS TO YOU!!
 WHAT CAN I DO?! I'VE REACHED THE END OF MY ROPE!
 UH... BUY MORE ROPE?

REX MORGAN

YOU KNOW, REX... FOR EVERYTHING IS RIGHT WITH THE WORLD TONIGHT.
 I KNOW WHAT YOU MEAN... LET'S GO OUT TO DINNER AND CELEBRATE WHILE WE CAN!
 I'M LEAVING EARLY TOMORROW, DEX! THERE'S PLENTY IN THE FRIDGE FOR LUNCH!
 DON'T WORRY... I'LL GET BY SOMEHOW. GOOD NIGHT, SISTER!

DOONESBURY

Dad: Tell me, I think I recognize your man. Here former Ambassador during...
 Exit: Where?
 Each: Wound: That's it, the missing piece! It was the Chinese who hired Ruby to influence Oswald...
 Doubt it. He would know too much. I'm sure he's dead under mysterious circumstances by now.
 SORRY YOU EVER HEARD OF DALLAS?
 ABOUT 30 YEARS AGO?

GARFIELD

I'VE ACHIEVED "EXASPERATING" AND I'VE ACHIEVED "EYE-POPPING".
 ALL RIGHT!!! (MURDERING!!!)

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SPORTS

Behind Olajuwon, Rockets Stop Knicks To Tie Victory Mark

Compiled by Our Staff From Dispatches
NEW YORK — The Knicks couldn't do it, and neither could 14 teams before them. Will the Hawks do it Friday night?
The job is beating the Houston Rockets, keeping them from setting a National Basketball Association record with a 16-0 start. That would be one more victory than Red Auerbach's Washington Capitols had at the start of the 1948-49 season.
Led by Hakeem Olajuwon's season-high 37 points, the Rockets beat New York, 94-85, Thursday.

Olajuwon not only scored big, he completely dominated rival center Patrick Ewing in every facet of the game. It got so one-sided that Ewing was booed by the home crowd after throwing up one too many off-balance long shots.
Ewing finished with only 12 points and missed his last 12 shots. Olajuwon outscored him, 13 to 8, and had three blocked shots to Ewing's one. Olajuwon also had more assists (5-1).
"Patrick is my toughest opponent," Olajuwon said. "You have to be prepared to play him. I just played my game and I guess I was lucky. When he comes back to Houston, he'll be coming after me."
That rematch won't take place until Feb. 24, when the Rockets will have already played 50 games.
"They kicked our butts," said Ewing, who never established him-



Michael Stich was stretched to five sets by Jason Stoltenberg in the Davis Cup opener on Friday.

Germans and Australians Tied in Davis Cup Final

Compiled by Our Staff From Dispatches
DUSSELDORF — Germany and Australia split their two singles matches on Friday as the Davis Cup final got under way.
Michael Stich fought back from a break down in the fifth set on a break down in the fifth set on the opening match, 6-7 (2-7), 6-3, 6-1, 4-6, 6-3.
In the second singles, Richard Fromberg defeated Marco-Kevin Goellner, 3-6, 5-7, 7-6 (9-7), 6-2, 9-7.
Stoltenberg, ranked 44th in the world and a surprise pick instead of the higher-ranked Wally Masur, nearly justified his selection when he came close to upsetting Stich, the No. 2 in the world.
But Stich, leading Germany's bid for its third title — and the first without Boris Becker — adjusted well to the red clay and came through in the end.
"Jason made me work hard, he didn't make too many mistakes," said Stich, who won the ATP Tour World Championship in Frankfurt last month. "I probably played at about 70-80 percent of my ability."
Stich, whose breakthrough record this season was 37-19, won the final, lost a rare one in the first set after going down 5-1.
In the second set, Stich broke for a 3-1 lead. He then fired two aces to save two break points in the fifth game.
The Australian saved one set point with an ace in the eighth game, but in the next game Stich thundered two aces in succession to finish off the set.
By then, the German was on a

roll. He broke Stoltenberg twice and fought back from 0-40, saving three break points, to take a 4-0 lead in the third set.
Stoltenberg finally held serve in the next game, but was broken again on his next serve and Stich was up 2-1.
Following the customary 10-minute break after the third set in Davis Cup ties, Stoltenberg returned reinvigorated. He broke Stich for the first time in the match for a 2-1 lead and held on to even the score at two sets each.
Stich led 40-0 on his serve in the first game of the decisive set, but Stoltenberg took the next five points to gain a break.
But the German, who also needed five sets to beat Stoltenberg at the Australian Open in January, wasn't finished. A double-fault by Stoltenberg gave Stich the break in the fourth game and the German's game picked up from then on.
It also got the crowd of more than 10,000 thumping their feet and doing the wave, roaring Stich on.

He broke Stoltenberg again, for a 5-3 lead, and served out the match at love.
"Jason made some mistakes that he hadn't made before and that changed the match around," Stich said of the fourth game in the fifth set. "Maybe he thought he'd already won it and had a little let-down."
Stoltenberg said he had gone into the match giving himself a chance.
"The rankings don't really matter in a Davis Cup final," he said.
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SCOREBOARD

Table with NBA Standings, Eastern Conference, Western Conference, and Monday's Results.

Table with Major College Scores, East, South, Midwest, and Northwest divisions.

Table with NHL Standings, Eastern Conference, and Western Conference.

Table with Soccer, Spanish Supercup, and Cricket results.

Table with Transactions, Baseball, and Basketball results.

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SIDELINES

Italian Whitbread Yacht Is Missing
SOUTHAMPTON, England (Reuters) — A search was launched Friday for the Italian entry in the Whitbread Round the World race, Brookfield, after a distress signal was received from the vessel.
Race organizers asked two other boats in the race, the French boat Maxi La Poste and the American vessel Winston, to turn back to search for Brookfield after the Maritime Rescue Coordination Center in Canberra reported receiving the distress signal. Brookfield, one of 14 entries, later failed to respond to a regular position report and to attempts to contact her, the organizers said.
The Whitbread 60-class boat was sailing in winds of 35-40 knots and large seas at the time the distress signal was sent. Brookfield's last known position was 2,000 miles (3,230 kilometers) southwest of Australia on the second leg of the race, from Punta del Este in Uruguay to Fremantle, Australia. Organizers said the nearest land was the Kerguelen Islands in the southern Indian Ocean, 427 miles to the west.

Notre Dame's Taylor Top Lineman
HOUSTON (AP) — The Notre Dame offensive tackle Aaron Taylor, accustomed to beating defensive linemen, did it again by winning the Lombardi Award as the nation's top college football lineman.
He beat out three defensive players for the honor on Thursday — nose guards Sam Adams of Texas A&M and Rob Waldrop of Arizona and linebacker Derrick Brooks of Florida State.
Taylor, 6-foot-4 (1.93 meters) and 299 pounds (135 kilograms), helped Notre Dame average 429.5 yards a game this season. He has started 29 straight games dating back to 1991.

For the Record
Leo Pagan, 83, who teamed with Vince Lombardi on Fordham University's Seven Blocks of Granite line in the mid-1930s, died Thursday in Rutherford, New Jersey.
Mike Hakkinen of Finland, who replaced Michael Andreoli for the final three races of the 1993 season, will lead the McLaren Formula One team's lineup in next year, the team confirmed Friday.
Diego Maradona injured his left leg during an Argentine soccer league game on Thursday and is unlikely to play in Dec. 15 exhibition against Germany in Miami and may be sidelined for a month, his team's doctor said Friday.

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P.S. I Love You By Manny Nosowsky. Crossword puzzle grid with clues for Across and Down.

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DAVE BARRY

The Troubled Cow

MIAMI — It is pathetic but true that we Americans hardly ever think about agriculture. We walk into a restaurant and order a hamburger, and we rarely stop to ask ourselves: Where, exactly, did this hamburger come from? And did everybody involved wash his hands?

SHERIFF: But that's perfectly legitimate veterinary procedure! MOB LEADER: He was palpating a BULL. SHERIFF: String him up. VOICES IN MOB: Let's palpate him first!

Meanwhile, out in Pinedale, Wyoming, we have a situation involving...

ARTISTS PAINTING ON COWS: You may have heard about this. Three artists got a \$4,000 grant, some of which came from the federal government, to paint words from a pioneer woman's diary on the sides of live cows. The idea was that the cows, with the words on their sides, would wander around and poop on symbolic representations of U.S. taxpayers.

No, seriously, the idea, as explained by one of the artists, was that the wandering cows would scramble the words so as to "create a new text." I think this is a terrific idea, and I believe that the government should seriously consider using wandering painted cows to generate the instructions for filling out federal tax forms.

Speaking of government action, it is clearly time to do something about...

COW-PART SPILLS IN MARIETTA, OHIO: I have here several issues of the Marietta Times, sent to me by an alert reader named Sheri Fleagle (really). These issues contain a series of front-page stories with large headlines such as "Dumped On Again!" and "New Spill No Joke!" concerning an epidemic of trucks spilling loads of cow parts on the highways in and around Marietta. There are some large, vivid color photographs, including one with a caption that says "Street Superintendent Richard 'Moose' Mayer removes cow parts from Washington Street."

"Cow heads and feet along Muskingum Road" [this one is directly over a headline that says "Clinton Works on His Image"].

I say that the people who are doing this should be arrested and thrown into prison, unless of course it turns out that they are artists, in which case I say they should be given federal grants.

Knights-Ridder Newspapers

Edward Albee at 65: Ego and Equilibrium

By Mel Gussow

NEW YORK — Edward Albee is a thorn in the body theater. Through all the critical buffeting he has endured, he has survived with his ego and his equilibrium intact.

Unlike many of his talented contemporaries, he has never stopped writing, and a healthy sampling of his work, including a selection of premieres, is being presented in New York this season.

There is a yearlong festival of Albee plays at the Signature Theatre Company, and "Three Tall Women," one of his most recent works, opens in January at the Vineyard Theatre.

Unfraid to state an intemperate opinion and, at 65, still writing plays exactly as he wants to write them, he retains his ironic sense of detachment. At the same time, by lecturing, teaching playwriting and serving as head of the U.S. chapter of the International Theatre Institute, he has become a theatrical elder statesman.

Thirty years ago he was the most acclaimed young playwright in America. He had just written "Who's Afraid of Virginia Woolf?" which earned the Tony Award and New York Drama Critics Circle prize as best play of the year, and he would have won the Pulitzer Prize for Drama were it not for a censorious Pulitzer board.

Iconoclastic and infinitely enigmatic, the playwright was at the forefront of a wave of young writers who were energizing the American theater. Since then, Albee has won two Pulitzer Prizes and has suffered failure as well as success. He has not been on Broadway since 1983, when "The Man Who Had Three Arms" was played like a felony.

While New York spurned him, his plays continued to be done with regularity in London and Vienna and at regional theaters. During his early Broadway years he lived in a Greenwich Village duplex, with cork-lined walls and an incipient art collection. For the last 15 years, he has lived in a spacious loft in TriBeCa.

In his home, one cannot always differentiate the art from the objects, African and pre-Columbian sculpture and abstract paintings share a gallery-size environment with a Dogon granary door and an 18th-century French grain thresher. With three homes — the loft and houses in Montauk, New York, and Coconut Grove, Florida — Albee leads a life as comfortable as that of the Famous American Playwright in his comely sketch "FAM and YAM."

From Albee's perspective, his plays are all about "eclipsing down," about people unable to fulfill their dreams. As for himself, he has few regrets.



The playwright in his Manhattan loft: "I don't get much indifference."

Sitting at a large, burnished coffee table (in its previous life, it was a Korean bed), he said that he had one lingering ambition. He would love to write a play under a pseudonym and have it produced without anyone knowing the identity of the real author. In other words, he would like to get a judicious hearing in a climate that he knows to be antipathetic to his work. That, he admitted, would be almost impossible. "At worst," he said, "I would be accused of imitating me."

Though the playwright is buoyed by the revival of interest in his work, he is wryly philosophical about the ups and downs of his career. Ever since his scorching debut with "The Zoo Story" in 1960, he has been a lightning rod. "I don't get much indifference," he explained. Instead he is struck by an "almost pathological hostility."

With a hint of a smile, he added, "And I'm such a nice guy — until crossed." The playwright's underlying cynicism can be traced back to his unhappy childhood, as the adopted son of wealthy parents, Reed and Frances Albee.

Despite the fact that he later reconciled with his adoptive mother, he still harbors bitter feelings about his upbringing in Larehmont, New York. He was especially dismayed by Frances Albee's habit, when she was angry, of reminding him that he was adopted.

Following a series of Holden Caulfieldesque educational misadventures, he left home and moved to New York City, where he supported himself as a Western Union messenger. He also had income from a small inheritance provided by his maternal grandmother, his only ally in the family. Out on his own, he became "a free person," and after failed attempts at writing poetry, as "a 30th-birthday present" to himself, he wrote "The Zoo Story."

That play drew upon his messenger experiences just as his other early one-act, "The American Dream," was a comic exaggeration of his own family life, a fact, he said, that his mother never recognized.

His plays have always had a strong autobiographical streak, but "Three Tall Women" occupies a special position as "a kind of exorcism" about his mother. She was six feet tall and dominating, like the 92-year-old character at the center of the play.

"I was a very dutiful and good son, but she never quite approved of me or forgave me for walking out. When she died she almost completely cut me out of her will." His latest play, "Fragments," recently had its premiere in Cincinnati, and he has

an idea for a new play, which he plans to write next spring. "When he is writing, he does not think about 'implications, metaphors and messages.' The focus is on the reality of the characters, as he sees them. Otherwise, he said, 'you start writing thesis rather than drama.' About his body of work, he said, 'I hope it's a continuing evolution rather than devolution.'

Last year passed without a 30th-anniversary production of "Virginia Woolf" in New York. He still would like to see a revival with an actress of his choice as Martha: Kathy Bates or Celia Rowlands. He added, "Myriam Stern is getting close." In pursuit of his livelihood Albee has been forced to become peripatetic, directing his plays in various cities and spending every spring in Texas, where he is on the faculty of the University of Houston.

For his annual course in playwriting, he chooses a small class from 150 applicants, each of whom submits a play. The search is for those who "can contribute something to the theater as an art form." There are, he said, "quite enough writers whose goal is clearly the brass ring on Broadway, or writing screenplays in Hollywood."

PEOPLE

Newman-Redford Film? An Indecent Proposal

Paul Newman has an indecent proposal for Robert Redford. "For a million bucks, I'd sleep with him," Newman told a radio host who asked whether he would consider joining Redford in an "Indecent Proposal 2." In the thriller "Indecent Proposal," Newman plays a billionaire who offers a couple \$1 million for a night of sex with the wife. Newman's proposal came after Bob Wolf of WPDH in Poughkeepsie, New York, put out a "500-bounty" for the actor, hoping he would call in. Newman, filming in the area, obliged and asked that the money be given to a local hospital.

Six Norman Foster, who has designed buildings all over the world, has received the 1994 American Institute of Architects Gold Medal.

An armed man trying to take his manuscript to Jacqueline Kennedy Onassis was arrested in New Jersey. Gary Lee Higgins of Indiana drew suspicion by repeatedly asking for directions to the house of the former first lady, who is a book editor. When police pulled over his pickup truck, they found a handgun with six spent rounds and a box of bullets hidden under a pillow. Onassis was out of the state at the time.

Queen Elizabeth, the Queen Mother, sold a prize cow for slaughter, then urged a royal pardon to save it from the butcher's knife, according to its buyer. Safeway. "I think she had grown quite attached to it, and she suggested the heifer would be good for breeding," a spokesman for the supermarket chain said. Safeway plans to find a home for it in northern Scotland, where it was raised.

A Michigan jury has rejected a lawsuit that accused the talk-show host Sally Jessy Raphael of invading the privacy of a Church of Scientology member who was secretly taped. The suit sought \$72 million for Doreedy Dickerson, who said her comments, broadcast on the show to 1991, made her look foolish.

INTERNATIONAL CLASSIFIED Appears on Pages 4 & 7

Clinton

By Russell NEW YORK — Clinton is seen as a man who never gets a little liberal press. Surely he is being a little reluctant to apply of all a middle-of-the-road. As a Rho knows enough his philosophy to the plight of the knee or otherwise. We are used to a hardened to ridical label — an — invites the m moronic, the ti whose ideas are ber hammers to a person who ridicule on be likely to be i praise when boon by those fool. I speak from I was once a self, though Lyndon John This was not lossus John soul of safi responsible. William York Times recently politics as ly describ ed by d The lob in the ruls, differ mu, trist force "Modic, ical philo only by? ight with, erals te various "the k' hearts."

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WEATHER

Weather forecast section including tables for Europe, Asia, Africa, North America, Middle East, and Latin America, along with a map of the United States showing weather patterns.

POSTCARD

The Wardaburger and Other Secrets of a Texas Town

By Sue Anne Pressley

WARDABURGER, Texas — The new owners of the Warda Store, more accurately described as a store, post office, restaurant, game room and town lodge, know that most visitors will get around to asking: What's in the Wardaburger? Bill Lange isn't about to answer. "It's a souped-up burger," he said. "It has a reputation." But now it's also a secret shared by 34 families. They're the new bosses at the Warda Store. In a move unusual for these rather alienated times, the families pooled their savings and bought the store, which has anchored this farming community since 1874 and long served as its dispatch center for news of births, deaths and small scandals.

"We didn't want to be without our headquarters," said Lange, 52, a retired beer distributor and the store's chairman of the board.

To understand what the store means around here, one must consider the isolated nature of Warda, an area of ponds and rolling brown pastures about 60 miles (100 kilometers) east of Austin. Without the store as a marker, there's nothing to tell you that you've ever been to Warda.

Most people who grew up here tend to stay here. Others originated in the nearby communities of Winchester or Plum. The families are almost exclusively of German heritage, or Wendish, the term used to describe Slavs who lived in Germany. Aside from the store, the community's other common bond is the local Lutheran church.

"When they get it in their minds they're going to do something around here, it's going to be done," said Ann Bamsch, 39, an accountant who is the store's secretary-treasurer. "Just like that, they came up with the money. And I wouldn't describe the people around here as frugal." I'd describe them as very frugal.

certainly is picturesque. The tables are covered with green-and-white-checked oilcloth, and ceiling fans whir. A pool room is to the side, and the Warda postal station is to back. Apparently, more than one of the new investors is a successful hunter, because about a dozen mounted deer heads gaze out on the diners.

Breakfast begins at 6:30 A.M., when commuters, employed at one of the area's oil-industry plants, stop by for biscuits and sausage. Lange describes the closing time as "unholy."

The new owners, including several widows in their 80s, are taking their investment seriously and often drop by to help the staff with the chores. On Thursday nights the stockholders even take over the kitchen for "Chicken Night." On Fridays, it's a fish fry.

There also has been talk about reviving a community tradition that fell by the wayside a few years ago — "wildlife suppers." Bamsch, who's from Winchester but who married Raymond Bamsch, a Warda boy, remembers coming on dates to the festive meals. "You never knew what was going to be thrown on the pit," she said, "rattlesnake and 'coon and squirrel and, of course, deer. Everybody wants to start that up again."

A large advertisement for the International Herald Tribune. It features the headline "A WEEK IN THE LIFE OF THE TRIB" and lists various content offerings for each day of the week, such as "Monday MONDAY SPORTS," "Tuesday STYLE," "Wednesday STAGE ENTERTAINMENT," "Thursday HEALTH/SCIENCE," "Friday LEISURE," "Saturday-Sunday ART/ THE MONEY REPORT," "POLITICS AND ECONOMICS," "BUSINESS AND FINANCE," "OPINION AND COMMENTARY," "THE ARTS AND SCIENCE," "FOOD AND FASHION," "FILM AND THEATER," "BOOKS AND TRAVEL," "BRIDGE AND CHESS," "THE NEW YORK TIMES CROSSWORD," "A LIVELY ARRAY OF COMICS," "PULITZER PRIZE WINNING FEATURE COLUMNISTS." It also includes the slogan "Don't miss out. Make sure you get your copy of the IHT every day." and the logo for the International Herald Tribune.

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